

Quick Assessment Report

Forest Governance in Central Sulawesi, Gorontalo and North Sulawesi

Options for a UNREDD pilot province

By: Lili Hasanuddin

Submitted to
Rainforest Foundation Norway (RFN)
January 2010

CONTENT

Content	i
Table and Figure List	iii
Abreviatiion, Acronym and Glosary	iv
PART 1: INTRODUCTION	1
Background	1
Expected Results	1
Methodology	2
Location and Schedule	2
Disclaimer	2
PART 2: RECAPITULATION OF FINDINGS	3
General description	4
Forest Management	4
The Condition of Governance	5
Central Sulawesi Province	6
North Sulawesi Province	7
Gorontalo Province	7
Map of the Actors	8
Civil Society Organisations	8
Indigenous People/Comunity Organisations	9
Mass Media	9
University and Research Organisations	9
Local Government	10
International Organisations	11
Perception of the Parties toward UNREDD Program	11
Opportunities and Challenges for the Implementation of a UNREDD Pilot Province	14
Opportunities	14
Challenges	14
PART 3: ASSESSMENT RESULTS IN CENTRAL SULAWESI PROVINCE	16
Forest Management in Central Sulawesi Province	18
Pressure of other sectors on the forest area	22
Oil Palm Plantations	22
Mining	22
Transmigration	25
Community activities	25
Governance in Central Sulawesi Province	27
Opportunities and Challenges for the implementation of a UNREDD pilot province in Central Sulawesi Province	30
Opportunities	30
Challenge	32

PART 4: ASSESSMENT RESULTS IN GORONTALO PROVINCE	33
Forest Management in Gorontalo	34
Pressure on the Forest Area	36
Plantation	36
Mining	37
Governance in Gorontalo Province	38
Perspective of the parties on the UNREDD Program	40
Opportunities for the development of UNREDD in Gorontalo	41
PART 5: ASSESSMENT RESULTS IN NORTH SULAWESI PROVINCE	43
Forest management in North Sulawesi	44
Pressure of other sectors on the forest area	46
Governance in North Sulawesi	48
Perspective of parties on UNREDD Program in North Sulawesi	50
Opportunities	51

LIST OF THE TABLES

Table 3.1 :	Achievement of MDGs in the Central Sulawesi Province in 2007	17
Table 3.2 :	Area and Function of Forest Land in Central Sulawesi Province	18
Table 3.3 :	Number of IUPHHK-HA licenses in Central Sulawesi till December 2007	19
Table 3.4 :	Number of IUPHHK-HT licenses in Central Sulawesi till December 2007	19
Table 3.5 :	Area of of critical land in Central Sulawesi till December 2007	21
Table 3.6 :	Leasing of Forest Area for Mining Purposes until 2007	23
Table 3.7 :	List of companies with Work of Contract, Cooperation Contract and Production Sharing Contract in Central Sulawesi Province	24
Table 3.8 :	Mining Concessions issued by the district government in Central Sulawesi in the last 2 years	24
Table 3.9 :	Conversion of forest area for transmigration in Central Sulawesi until Dec 2007	26
Table 3.10 :	Partnership Governance Index of Central Sulawesi Province	28
Table 4.1 :	Achievement of MDGs in the Gorontalo Province in 2007	34
Table 4.2 :	Areas and Functions of Forest Regions in the Province of Gorontalo in 2005	35
Table 4.3 :	List of Contract of Work (KK) in the Gorontalo Province in 2008	38
Table 4.4 :	List of Mining Concession (KP) issued by the District Government in Gorontalo up to 2008	38
Table 4.5 :	Partnership Governance Index of Gorontalo Province	39
Table 5.1 :	Achievement of MDGs in the North Sulawesi Province in 2007	45
Table 5.2 :	Area and Function of Forest Land in North Sulawesi Province	46
Table 5.3 :	Partnership Governance Index North Sulawesi 2008	49

LIST OF THE FIGURES

Figure 1:	Location of the Province of Central Sulawesi, Gorontalo and North Sulawesi in Sulawesi Island Map	3
Figure 2:	Map of Central Sulawesi Province	16
Figure 3:	Map of Gorontalo Province	33
Figure 4:	Map of North Sulawesi Province	43

Abbreviations and Glossary

AMAN	: <i>Aliansi Masyarakat Adat Nusantara</i> (Alliance of Adat Peoples of the Archipelago)
AMDAL	: <i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment/EIA)
AMMALTA	: <i>Aliansi Masyarakat Menolak Limbah Tambang</i> (People Alliance to Refuse Mine Waste)
CIDA	: Canadian International Development Agency
COP	: Convention of the Parties
Critical land	: Land that has been damaged and reduced its function to maintain of water system and agricultural production
CSO	: Civil Society Organization
DFID	: Department for International Development
DKN	: <i>Dewan Kehutanan Nasional</i> (National Forestry Council)
DPR RI	: <i>Dewan Perwakilan Rakyat Republik Indonesia</i> (National Parliament)
DPRD	: <i>Dewan Perwakilan Rakyat daerah</i> (Local Parliament)
EGSLP	: Environment Governance Sustainable Livelihood Program
ESDM	: <i>Energi dan Sumberdaya Mineral</i> (Energy and Mineral Resources)
FAO	: Food and Agriculture Organisation
FKKM	: <i>Forum Komunikasi Kehutanan Masyarakat</i> (Communication Forum for Community Forestry)
Forum DAS	: <i>Forum Daerah Aliran Sungai</i> (Watershed Forum), a multi-stakeholder forum concerned with sustainable watershed management
Gerhan	: <i>Gerakan Rehabilitasi Hutan dan Lahan</i> (The Movement for Forest and Land Rehabilitation) a national program of the Ministry of Forestry, implemented in regional level
HL	: <i>Hutan Lindung</i> (Protected forest), a forest area which has the main function to protect support systems of life and watershed, such as to prevent flooding, control erosion, prevent sea water intrusion, and maintain soil fertility
HPT	: <i>Hutan Produksi Terbatas</i> (Limited Production Forest), a forest area which is allocated to produce forest product with low intensity. Mostly located in mountainous areas with steep slopes
HP	: <i>Hutan Produksi tetap</i> (Permanent Production Forest), a forest area that has the main function to produce forest products, both timber and non timber
HPK	: <i>Hutan Produksi Konversi</i> (Convertible Forest), a forest area which is designed for various purposes, such as plantation, transmigration or mining area
HPH	: <i>Hak Pengusahaan Hutan</i> (logging concession)
IAIN	: <i>Institut Agama Islam Negeri</i> (Islamic Institute)
IUCN	: International Union for Conservation of Nature
IUPHHK	: <i>Ijin Usaha Pemanfaatan Hasil Hutan Kayu</i> (Business Licenses to Utilize Timber Forest Products). The license to utilize production forest for which the activities consist of harvesting or felling, transporting, planting, tending, protecting, processing and marketing timber forest products
JAPESDA	: <i>Jaringan Advokasi Pengelolaan Sumberdaya Alam</i> (Advocacy Network for Natural Resources Management)
JATAM	: <i>Jaringan Advokasi Tambang</i> (Network of Mining Advocacy)

JICA	: Japan International Cooperation Agency
KTM	: <i>Kota Terpadu Mandiri</i> (Self-Supporting Integrated City), a model of integrated transmigration project
KK	: <i>Kontrak Karya</i> (Work of Contract), a a mining agreement between the Indonesian government with foreign private firms, joint ventures of foreign companies with Indonesia and national private companies to conduct mining business outside of oil and gas such as gold, copper, and coal (issued by central government)
KKS	: <i>Kontrak Kerjasama</i> (Cooperation Contract), a license given to a company to conduct exploration, exploitation and marketing of oil and gas in Indonesia (issued by central government)
KP	: <i>Kuasa Pertambangan</i> (Mining Concession), a license issued by the regent (head of district) to the company to conduct mining activities in the district
KPS	: <i>Kontrak Production Sahring</i> (Production Sharing Contract), a license to search for and develop oil and gas reserves in certain areas before commercial production (issued by central government)
LBH	: <i>Lembaga Bantuan Hukum</i> (Legal Aid Organisation)
LP2G	: <i>Lembaga Pengkajian dan Pembangunan Gorontalo</i> (Society for Research on the Development of Gorontalo)
MDGs	: Millenium Developmnet Goals
NGO	: Non-Government Organisation
PGI	: Partnership Governance Index
PGR	: Partnership for Governance Reform
PGSP	: Provincial Government Support Program
PSHK	: <i>Pusat Studi Hukum dan Kebijakan</i> (Center of Legal and Policy Studies)
RFN	: Rainforest Foundation Norway
RPJMD	: <i>Rencana Pembangunan Jangka Menengah Daerah</i> (the Regional Medium-Term Development Plan).
RPJMN	: <i>Rencana Pembangunan Jangka Menengah Nasional</i> (National Medium Term Development Plan)
RTRWP	: <i>Rencana Tata Ruang Wilayah Propinsi</i> (Provincial Spatial Plan)
SUSCLAM	: Tomini Bay Sustainable Coastal and Livelihood Management
STORMA	: The Stability of Rainforest Margins in Indonesia
TAF	: The Asia Foundation
TNC	: The Nature Conservation
TII	: Transparency International Indonesia
UNDP	: United Nation Development Program
UNEP	: United Nation Environment Program
UNREDD	: United Nation Reduction Emmision from Deforestation and Degradation
YDRI	: <i>Yayasan Dian Rakyat Indonesia</i> (Indonesian People Foundation)
YMP	: <i>Yayasan Merah Putih</i> (Merah Putih Foundation)
YTM	: <i>Yayasan Tanah Merdeka</i> (Tanah Merdeka Foundation)
YPR	: <i>Yayasan Pendidikan Rakyat</i> (Community Education Foundation)
Yappika	: <i>Yayasan Penguatan Partisipasi, Inisiatif dan Kemitraan Masyarakat</i> (Foundation of Empowering People Participation, Initiative and Partnership)
UNFCCC	: Untited Nation Framework Convention on Climate Change
UPT	: <i>Unit Pelaksana Teknis</i> (Technical Implementation Unit)
WALHI	: <i>Wahana Lingkungan Hidup Indonesia</i> (Indonesian Forum for Environment)

WWF : World Wildlife Fund
WCS : world Conservation Society
WVI : World Vision International

PART 1 INTRODUCTION

Background

The UN-REDD Programme, a collaborative partnership between FAO, UNDP and UNEP, was created in response to, and in support of, the UNFCCC decision on REDD at COP 13 and the Bali Action Plan. The Programme supports countries to develop capacity to reduce emissions from deforestation and forest degradation and to implement a future REDD mechanism in a post-2012 climate regime.

Indonesia became a pilot site of UN-REDD Programme with funding support from the Norwegian government. One of the outcome of UN-REDD Indonesia Programme is increasing capacity to implement REDD at decentralized levels, related to; (a) capacity for spatial socio-economic incorporating REDD at the district level; (b) empowered local stakeholders are able to benefit from REDD; (c) multi-stakeholder endorsed district plans for REDD implementation.

The Indonesian government reserved the location of UN-REDD from among three provinces in Northern Sulawesi, namely North Sulawesi, Central Sulawesi and Gorontalo because they were considered to meet the following criteria: (a) deforestation is going on but a significant forest cover has remained, (b) carbon density is relative high, (c) local political support is strong, (d) local capacity is reasonably strong, in order to generate rapid results, (e) drivers can be addressed relatively easily, (f) REDD can result in significant co benefits within the project site, and (f) as a different location from other initiatives.

Expected results

In order to know the situation of forest governance in the three northern Sulawesi provinces more deeply, this quick assessment study was done for the Rainforest Foundation Norway. The assessment will result in a report that includes:

1. A general overview of the situation with regards to forest destruction and degradation in the three northern Sulawesi provinces, including status of forest land and main drivers of deforestation.
2. An analysis of institutional arrangements and forest governance in the three provinces, especially related to willingness and capability to engage in REDD, and previous records of consultation and participation by civil society, including indigenous peoples organizations, in planning, decision making and implementation of government policies for natural resource management.
3. An overview of relevant provincial and district regulations.
4. Identification of Indonesian and international organizations working with forest management in the three provinces.

Methodology

Assessment carried out by using perception-based multi-stakeholder approach on issues related to forest governance. A series of discussions and in depth interviews conducted with parties deemed to have relationship with the implementation of REDD schemes in their respective provinces, include; local government agencies, parliaments, NGOs, Indigenous people organizations, mass media, research institution, universities, international organisation that work in related areas, and private companies from the forestry sector. In Central Sulawesi, all respondents can be interviewed, while in two other provinces, not all respondents successfully interviewed, either because of the high activity parties who want to be interviewed (the local council and universities) as well as the unavailability of access to contact them, especially the forestry companies. To complement the results of interviews are conducted Focus Group Discussion (FGD) and review of documents related to regional development plans, regional forestry statistics, and local regulations relevant to the development of REDD schemes.

Location and schedule

The assessment was conducted in three northern Sulawesi provinces that reserved for UN-REDD Indonesia programme, namely Central Sulawesi, Gorontalo and North Sulawesi, during the November 2009. Activities started with the study of documents about UN-REDD in Indonesia as a main reference material for the assessment. Field data gathering took place on 10-24 November 2009¹ conducted by Lili Hasanuddin and assisted by several NGO activists in their respective provinces. Data gathering in Central Sulawesi assisted by Amran Tambaru and Nasution Camang from YMP Palu; in North Sulawesi assisted by Anton Miharjo (YDRI) and Rivaldi Kolengan (AMALTA); meanwhile in Gorontalo assisted by Rahman Dako (Susclam) and Amirudin (Japesda). Some written document data supported also by Verrianto Madjowa (Tempo Magazine Correspondent) and Jufri (Forum DAS).

Disclaimer

This report was prepared by the independent consultant Lili Hasanuddin for the Rainforest Foundation Norway. Although the planned implementation of a UNREDD pilot province forms the background of this assessment, the UNREDD has not been involved in neither the assessment nor the write up. The views and opinions of the author expressed in the report do not necessarily state or reflect those of the Rainforest Foundation Norway or any other agencies mentioned in the report.

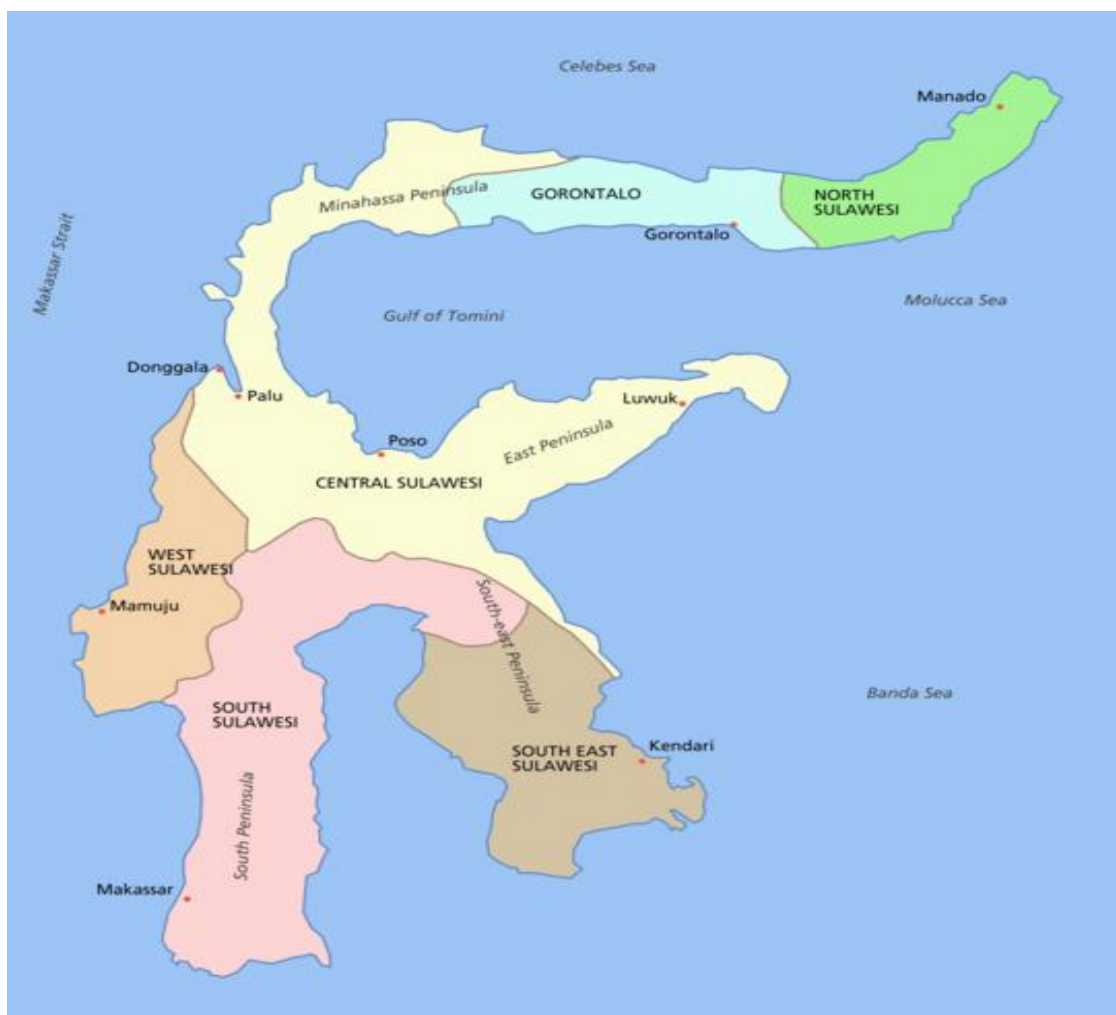
¹ See attachment for detailed schedule

PART 2

RECAPITULATION OF FINDINGS

As described in the previous section, the assessment was conducted in 3 provinces, namely Central Sulawesi, Gorontalo and North Sulawesi. Location of the three provinces in Sulawesi Island map can be seen in figure 1 below.

Figure 1. Location of the Province of Central Sulawesi, Gorontalo and North Sulawesi in Sulawesi Island map



Source: http://en.wikipedia.org/wiki/File:Sulawesi_map.PNG

General Description

General conditions in each province are as follows:

	Central Sulawesi	Gorontalo	North Sulawesi
Area of the Region	6,803,300 ha	1,221,544 ha	1,527,300 ha
Population (2007)	2,396,223	960,335	2,189,273
Poverty rate (2006)	23.67 %	31.54%	14.51%
Governance index (2008)	4.66	5.51	5.44
Area of Forest	4, 394,932 ha (64,6%)	826,382 ha (67,6%)	788,693 ha (51,6%)

Forest management

The existence of forest in each province is divided into 5 (five) classification of forest function as generally prevail in Indonesia, namely conservation area, protected forest, permanent production forest, limited production forest and convertible forest. Description of each function are as follows:

No	Forest Classification	Description
1.	Conservation Area (Kawasan Konservasi)	Forest area which has the main function to preserve the diversity of plants and animals, and their ecosystems, usually in the form of national park and other protected areas.
2.	Protected Forest (Hutan Lindung/HL)	Forest area which has the main function to protect support systems of life and watershed, such as to prevent flooding, control erosion, prevent sea water intrusion, and maintain soil fertility. Protected forests can be utilized for environmental services, and harvesting non-timber forest products
3.	Limited Production Forest (Hutan Produksi Terbatas/HPT)	Forest area which is allocated to produce forest product with low intensity. Mostly located in mountainous areas with steep slopes
4.	Permanent Production Forest (Hutan Produksi tetap/HP)	Forest area that has the main function to produce forest products, both timber and non timber.
5.	Convertible Forest (Hutan Konversi/HPK)	Forest area which is designed for various purposes, such as plantation, transmigration or mining area.

The pressure on the forest comes from logging concession, mining concession, transmigration development, illegal logging activities and plantation -both large and community plantation. In the mining sector, there are three types of license issued by the Indonesian (Central) Government, namely:

- (a) Work of Contract is a mining agreement between the Indonesian government with foreign private firms, joint ventures of foreign companies with Indonesia and national private companies to conduct mining business outside of oil and gas such as gold, copper, and coal.
- (b) Production Sharing Contract (Kontrak Production Sharing/KPS) is the license to search for and develop oil and gas reserves in certain areas before commercial production. KPS valid for several years depending on contract terms and the discovery of oil and gas in commercial quantities in a certain period, although in general this period may be extended
- (c) Cooperation Contract (KKS) is the permission given to a company to conduct exploration, exploitation and marketing of oil and gas in Indonesia.

In addition to those three licenses, currently, the number of permits to do mining concession (Kuasa Pertambangan/KP) issued by the regent (head of the district/bupati) is increasing. There is an indication that the number of the permits issued by the regent as an instrument to collect political funds in the head of local government election activities. In Gorontalo and North Sulawesi, currently the NGOs are concerned about the conversion of a national park area to an area of mining activities. A power struggle is taking place between the central and the local governments about the conversion of this national park area.

In the plantation sector, oil palm plantations are being developed, mostly in Central Sulawesi. This has been caused by the bio-fuel issue, thus many palm corporations use this issue to extend businesses. For the community plantations, the commodities being developed are cash crops, cocoa, and cloves. Some of these community plantation activities also penetrate the conservation areas. Particularly, in North Sulawesi, in addition to the growing of cloves, there is a new tendency for the people to grow wood trees.

In Central Sulawesi, the forest area has also become development area for Integrated of Independent Town (Kota Terpadu Mandiri/KTM), a model of integrated transmigration projects. Land tenure conflict occurs in this project because of acquisition of indigenous people community land, without prior consultation. Central Sulawesi local government admits the presence of indigenous people community land as stated in the governor's notice in 1992. Although it was issued in the New Order era, the notice is still frequently used as the legitimacy to pass permits of development programs by ignoring indigenous people rights.

The condition of Governance

Measurement of governance index has been done by Partnership for Governance Reform (PGR), a quasi-governmental organization that encourages the development of good governance, in

2008. There are four arenas as measured by the PGR, i.e; the Government, Bureaucracy, Civil Society and Public Economics.

1. **Government**, is policy-making bodies at the provincial level. Government in this case refers to governor and the provincial parliament (DPRD). The Partnership identifies the key government functions that need to be measured include regulatory function, development coordination function and budget allocation function.
2. **Bureaucracy**, is the executing body that serves at the same time as a bridge between the government and the public. In this case bureaucracy includes the government offices and agencies at the provincial level. Among the many important functions of bureaucracy, the key functions that will be assessed in this study are public service, local revenue collection and the regulation of the local economy.
3. **Civil Society** constitutes individuals or groups of people that participate actively in governance processes. From among the many functions of the civil society, the Partnership considers the public policy advocacy function as the most important function to be assessed.
4. **Economic Society** consists of individuals or groups of people that engage in profit-oriented enterprises and are involved in the provision of goods and services as part of the efforts to support policy implementation. The functions of the economic society that will be assessed in this study is the participation of the economic actors in government tender and project implementation.

Measurement using scale 1-10, with the following category divisions.

- | | |
|--------------------------|-----------------------------|
| (a) 1.00-1.38 very poor, | (d) 6.89 – 8.25 good |
| (b) 1.39 – 3.38 poor, | (e) 8.26 – 10.00 very good. |
| (c) 3.38 – 6.88 fair | |

Central Sulawesi in the rankings to 25 Partnership Governance Index with a score of 4.66. The serious problems encountered by the Central Sulawesi are related to fairness, transparency, and efficiency. The three principles fall into the poor category, with the scores of 1.49, 1.58, and 2.21 for fairness, transparency and efficiency respectively. Related to the fairness problem, for example, the score obtained implies that the commitment to meet the basic rights of the people such as access to health, education and the program to address poverty in Central Sulawesi is still weak. This is reflected by the low allocation of public budget in the three sectors in the local budget. In terms of accountability, the Central Sulawesi bureaucracy falls into the very poor category with the score of 1.00 and the aspect of transparency falls into the poor category. The result of the audit done by BPK related to the local budget of the Province of Central Sulawesi for the 2000 budget and the difficulty of the public to access information about the financial status of the local government can be used as evidence about this matter. The complete results can be seen in the following table.

Partnership Governance Index for Central Sulawesi Province

	Index of Arena	Participation	Fairness	Accountability	Transparency	Efficiency	Effectiveness
Government	3.53	5.06	1.49	5.61	1.48	2.21	6.13
Bureaucracy	3.88	3.85	5.87	1.00	3.21	4.04	6.91
Civil Society	5.70	7.00	5.85	7.00	4.00	5.47	4.32
Economic Society	7.02	8.26	5.44	7.35	10.00	5.50	5.50

Source: Partnership Governance Index (PGI), 2008

North Sulawesi: The 11th rank is obtained by North Sulawesi Province (from 32 provinces in Indonesia) with a score of 5.44. The major problems encountered by the government of North Sulawesi are related to the aspects of transparency and fairness that have poor and very poor categories respectively. i.e., 1.97 and 1.36. For the accountability, effectiveness, participation, and efficiency, the government obtains fairly good scores. In the aspect of bureaucracy, the transparency is still a serious problem since it falls into the poor category, with the score of 2.55. A similar condition is also found in the civil society arena, since it obtains the same score as the score for the bureaucracy arena. Both the civil society and the government of the Province of North Sulawesi need to improve transparency by actively informing the public about development programs and their implementations. The complete results can be seen in the following table.

Partnership Governance Index for North Sulawesi Province

	Index of Arena	Participation	Fairness	Accountability	Transparency	Efficiency	Effectiveness
Government	4.03	4.11	1.36	6.57	1.97	4.22	6.29
Bureaucracy	5.86	5.97	8.00	7.14	2.55	4.94	7.51
Civil Society	6.01	7.00	5.85	9.02	2.55	5.87	5.44
Economic Society	7.02	5.50	4.00	10.00	10.00	5.50	5.50

Source: Partnership Governance Index (PGI), 2008

Gorontalo: As a new province, Gorontalo has demonstrated quite an impressive achievement by obtaining the 8th rank at the national level and the best for Sulawesi Island, with a score 5.51. Bureaucracy and government arena gets a good score. In terms of efficiency, effectiveness, transparency and participation government gets a good score. However, in terms

of fairness the government falls into the poor category. It is reflected by how the Gorontalo provincial government tried hard discipline of community gold mining, even to hold an integrated operation involving the police and the Army. However, at the same time seeking the release of forest area is much broader for large-scale mining companies. For the other principles, Gorontalo provincial government was trying hard to develop good governance in order to facilitate the entry of investments into the province. The complete results can be seen in the following table.

Partnership Governance Index for Gorontalo Province

	Index of Arena	Partici- pation	Fairness	Accoun- tability	Transpa -rency	Effi- ciency	Effec- tiveness
Government	6.00	5.49	1.43	8.91	5.82	7.36	6.06
Bureaucracy	7.00	7.45	7.59	10.00	4.74	7.11	6.73
Civil Society	3.89	4.00	7.00	5.32	1.00	1.00	4,88
Economic Society	4.35	5.50	4.00	5.50	1.00	5.50	5.50

Source: Partnership Governance Index (PGI), 2008

Map of the Actors

Civil Society Organizations (CSO/NGO): In Central Sulawesi and North Sulawesi there are quite a lot of civil society organizations (CSO), the organizations that are active in human rights, democracy and environmental issues. In Central Sulawesi, in general, the existing CSO can be classified into the following categories: (a) CSO that are active in conservation sector, (b) those who are active in community development, and (c) those who are active in advocacy. However, this classification cannot be done vigorously, since to some extent the existing organizations have the ability in the three sectors. The existing CSO in Central Sulawesi can cooperate with each other, although in particular issues, differences in perspectives often surface.

In North Sulawesi, the condition is not very different from that in Central Sulawesi. In addition to North Sulawesi Walhi's office, there is a quite strong organization in doing advocacies since it is supported by a quite large number of organizations, i.e., AMALTA. The advocacy activities of this organization can mobilize support groups that are distributed in some places around Manado. In North Sulawesi there is also a particular organization that develops public campaign programs for environmental issues (Yayasan Lestari). The activities of this organization are not

only done in partnership with the funding organization, but have also started partnership with some corporations in Manado city.

In Gorontalo, there are only two NGOs that can be regarded to represent Civil Society, i.e., Japesda and LP2G since only these two organizations that have clear and consistent activities in voicing community interest. Meanwhile other organizations are largely formed by the government officers to support the government programs and political support at the time when the head of local government election is held. The small number of NGOs in Gorontalo cannot be separated from the history of the birth of the province of Gorontalo that is the result of the splitting of the North Sulawesi province. As what have occurred in various other regions in Indonesia, the tendency of the NGOs is to do activities in the provincial capital city. Before the split of North Sulawesi province, there was only one NGO that was active in Gorontalo (LP2G). One of the NGOs that are currently active in the Gorontalo region is an organization that was formerly active in Manado.

Indigenous People Community Organization: In Central Sulawesi there are varied indigenous people community organizations, both with a national wide scale (AMAN) and local scale. In Banggai regency, for example, there is Environmental Forum developed by the community without any support from the NGO. This forum is quite active in advocating environmental damages in their region. But, in the other side, there were community organizations formed by the Regent decree to conduct cultural and art activities only.

In North Sulawesi and Gorontalo, there is no indigenous people organizations that do activities both in defending the rights of the indigenous people and in preserving the environment. There are only indigenous people organizations established under the Decree of the Regent.

Mass media: In the three provinces, the local mass media rarely write news about the environment. They often write political and economic news, since this news is regarded interesting and can attract the readers' attention. Articles on the environment are only sporadically or when there is a natural disaster. The local mass media has a limited financial resource, so that they develop a good relation with local government or corporations. In North Sulawesi and Gorontalo, the newspaper pages have even been bought by some regency so that the direction in the news is largely related to the programs in the regencies. In a situation like this, it is difficult for these mass media to show a critical attitude toward the government, except when the case has been exposed in the national mass media. In the case of Teluk Buyat pollution, which was caused by Newmont, for example, in the beginning there were not any local mass media that reported the case, but then after the national mass media had reported it.

University and Research Organizations: In the three provinces, there are public and private universities. The interaction among the academia from university with NGOs and local governments develop well, since they are often invited or engaged in the NGOs' activities.

There are also some cooperation activities between the university and the NGOs and those between university and the government institutions. Some academia who are doing research and continuing their studies in the doctorate program are often developing interactions with the NGOs to obtain field data that they need. In Central Sulawesi, the partnership between UNTAD and the Environmental Organizations is concerned with environmental service issues.

In the three provinces, only in Central Sulawesi where the university has a research program related to the issue of climatic change (STORMA). This research organization has measured carbon density originating from natural forest and cocoa plantation. The results of the studies from this research organization can be used as invaluable reference for the development of UN-REDD programme in the future. Beside the research findings, there are also equipment and technical skill to do the measurement of carbon density.

Local Government. In the three provinces, the forest official recruitment process – both in the provincial level and the regency level, is not based on the basic capacity and the educational background, but is largely caused by the personal intimacy and political interest.

The issues concerning the preservation of environment and forest are often used as the political consumption in the head of government election. For example, the issues of community forest, people forest and village forest are often used in the campaign to attract support from the voters. However, after the candidate has been elected there is no guarantee that the promise will be kept.

One thing that has not yet changed very much since the old time is the lack of coordination among government institution, both among the different levels and the different sectors. Although there is an inter-sector forum, it does not run effectively since each organization has to reach a target of its primary responsibility. Hence, although there is a coordination meeting, its implementation has not been effective.

The government of Central Sulawesi and the government of North Sulawesi were visited by an Australian based corporation, Carbon Strategic Global², in 2008 to develop a program to save forest in the scheme of carbon trading. The government of Central Sulawesi did not continue the talk with the corporation since there has never been a rule that regulates the scheme of the fund that will be received while the government of North Sulawesi has signed a MoU and currently is completing the next processes. The government of Gorontalo already signed MoU

² Carbon Strategic Global is a global provider of Carbon Strategy, Project Development, Management and Commercialisation expertise for both the Voluntary and Compliance markets. They have significant interests and current project partners in Avoided Deforestation, Reforestation, Afforestation, Biomass, Methane and Energy sectors. The Company that have offices in New South Wales, Australia and Port Moresby, Papua New Guinea involved in connecting project proponents with technology, resource, government, NGO and finance partners under innovative carbon project development strategies globally.

with Clean Biofuels International Pte Ltd, a company based in Singapore for development of Biofuel zone in Pohuwato District. Biofuel zone will be developed on 230,000 ha forest area for planting palm oil and *Jatropha* as a raw material for biofuel.

International Organizations. In Central Sulawesi some international organizations that work/support the local organizations are: UNDP (Governance and Peace Building programs), JICA (Capacity building for Government and CSO conducting community development); The Nature Conservation/TNC (Management of Lore Lindu National Park); Rainforest Foundation Norway/RFN (supporting local NGO conducting indigenous people empowerment and policy advocacy); and DFID (supporting Sulawesi Community Foundation/SCF conducting capacity building for local CSOs).

In Gorontalo, some programs conducted by; IUCN (Tomini Bay Sustainable Coastal Livelihood and Management Program, conducted in three provinces; Gorontalo, Central Sulawesi and North Sulawesi), Canada Fund (community development program), The Asia Foundation/TAF (participatory budgeting program), UNDP (Articulating Governance and Local Development in Indonesia/ArtGold a capacity building program for local government), Transparency International Indonesia/TII (integrity pact for local government program), CIDA (Environmental Governance Sustainable Livelihood Program/EGSLP). Currently there are two new program will be implemented in Gorontalo by; (a) CIDA for BASICS program (capacity building for local government to improve public services), and (b) UNDP for Provincial Government Strengthening Program/PGSP (capacity building for provincial level government institution conducting planning and public policy making).

In North Sulawesi, some programs implemented by international organizations are: IUCN (Susclam program), World Wild for Nature/WWF (conservation program), World Conservation Society/WCS (conservation program), Oxfam (natural disaster mitigation program), World Vision International/WVI (related to children issues program), and Rare Conservation (conservation program, still doing assessment).

International funding organizations that work in the three provinces have not possessed a mechanism for regular meeting to share and synergize. Every existing organization only focuses its attention on its own programs.

Perception of the parties toward UN-REDD program

UN-REDD program has a principle and a guidance that refer to the UN conventions related to the preservation of environment, good governance and human rights – including respect toward indigenous people rights. The principle and guidance can be summarized as shown in the following table.

UN-REDD Program Operational Guidance: Engagement of Indigenous Peoples & other forest dependent communities	
UN Principles	The government has to consult and cooperate seriously with indigenous peoples through their representatives that they decide as the realization of free, prior and informed consent to obtain a consent to every project that influences their land, territories and other resources.
UN policies and legal framework on REDD program)	<ul style="list-style-type: none"> • Creation of an environment that enables participation of indigenous peoples in making decisions in every level; • Ensuring the coexistence of their economic , cultural and political systems; • Increasing government capacities in developing inclusive policies and programs. • Integrating indigenous people’s concepts and perspectives in UNDP activities.
Guiding Principles for UN-REDD Program)	All of UNREDD activities , particularly those that potentially influence indigenous peoples, have to follow human rights- based approach and refer to UN declaration of human rights of indigenous peoples, and UNDG Guidance on Indigenous People Issues, and ILO Convention No. 169
Guidelines for National UN-REDD Program	<p>Representation:</p> <ul style="list-style-type: none"> • Indigenous peoples or other forest dependent communities have to have representatives in REDD National SC or another organization of the same kind. <p>Participation and engagement</p> <ul style="list-style-type: none"> • Indigenous Peoples representatives have to be engaged in “validation meeting” (as one of mechanisms to obtain consent from UNREDD advisory board); • National Joint Program has to engage indigenous peoples, other forest dependent communities, and civil community organization in all of the program stages, starting from the writing of the design, implementation, monitoring and evaluation. • National Joint Program has to incorporate their activities and resources to ensure that UNREDD activities take care of the interest and perspectives of the indigenous peoples. • National Joint Program needs to give its full attention to the impact of UNREDD on the land rights and other rights of the indigenous peoples. <p>Transparency and Accountability</p> <ul style="list-style-type: none"> • All of the project documents, including minutes, action plans, progress reports have to be submitted to the indigenous peoples.

Source: summarized from UN-REDD Program Operational Guidance: Engagement of Indigenous Peoples & other forest dependent communities, 23 March 2009

UN-REDD principles and guidance is appreciated by all parties very much in the three provinces. For the government, the principles and guidance are not very different from the normative considerations that have been the spirit in implementing development so far, although in

practice these have not been completely met. The government supports the UNREDD initiative, since it is regarded to reduce the load of the government in meeting the development funds, which has been so far done through extractive activities of natural resource management. If there is a program scheme that can produce funds without wasting natural resources, they will support it very much. The thing that is still confusing to the government is how the scheme of fund aids received through this UN-REDD scheme is like.

The civil society organizations, those that do conservation activities, community development and advocacy, support the UN-REDD initiatives since they open the opportunities to change perspectives and approaches toward the government development from extractive activities to conservational ones. The NGOs evaluate that the indigenous peoples and civil society's concern related to representation, participation and engagement, and transparency and accountability have been incorporated in the UN-REDD principles and guidance. If the principles and guidance are implemented consistently, the NGOs think that the UN-REDD program can be used as the instrument in addressing non-sustainable forest management problems as well as conflicts that occur between communities and corporations or communities and the government.

For the forest business people, the UN-REDD initiative can become an incentive to manage forest in a sustainable way. The experiences and technical expertise of the business sector in managing forest are the primary asset in strengthening technical capacities related to count carbon density and how to manage the forest systematically.

Journalists listened to and reported the REDD issue at the time COP in Bali, but after that they were not active in reporting climatic change issues. In general, in the local mass media the report about the environment is not as popular as the political and development (economic) issues. Based on the experience, along the local election process, the mass media report is always about political news. Besides being interesting to the readers, the political news can also generate income for the mass media since most of the local mass media in three provinces do not have adequate capitals. The operational cost of the mass media is met by the number of sale and advertisements. It was these advertisements that were bought by the candidates who competed in the election, although they were in disguise as news. When there is no head of government election, the advertisements are bought by the local government to report development activities done by particular government institutions. With this method of funding source for the mass media operational cost, environmental issues are rarely reported in the mass media, except for an event that has a large impact, such as flood or landslide. This automatically influences the position of local mass media on the government. The critical power of the mass media is dwindling when they face the local government.

For the UN-REDD activities, the mass media are quite significantly engaged as an instrument to disseminate information to the public. However, with the situation that has been described

above, it is urgent that long term partnerships with mass media be established to continue disseminating information about REDD.

Opportunities and Challenges for the implementation of a UNREDD pilot province

Opportunities:

- the presence of support from various parties, that are based on the considerations that (a) the activities in UN-REDD development generate local economic revenue and at the same time reduce pressure on the forest caused by extractive activities; (b) UN-REDD guidance and principles that contain the principle of good governance and human rights can strengthen the indigenous peoples' rights.
- The presence of programs to save the environment which are conducted by government as well as international/national organizations. Forest and Land Rehabilitation Movement Program conducted by the Department of Forestry nationally is a program that parallels to UN-REDD program. In the local level, there is also a program to save Tomini bay conducted in collaboration by the three provinces, i.e., the province of Central Sulawesi, North Sulawesi and Gorontalo. The success of this program is closely related to the good forest condition in the upriver regions. In addition to these, there are also international organizations working in each province that can become potential partners for UN-REDD program development.
- The readiness of university and research organizations so far has made it possible for them to conduct activities related to environmental and climatic change issues. STORMA has knowledge and equipment that can be used in carbon density count activities and determination of types of plants potential to be developed according to the condition of the Central Sulawesi region. At the same time, the Center for Environment Studies in three provinces Universities has successfully developed a program to increase concern of various parties with environment services.
- The availability of examples of multi stakeholder forum that have been carried out can be used as the model of institutional framework in the future. There is tendency that willingness of NGOs to interact and dialogue with the government and vice versa. NGOs did not hesitate anymore to join the multi stakeholder forums involving government, universities, mass media and NGOs.

Challenges:

- How to integrate UNREDD program in Local Development plans, since it will be related to the orientation of the development, the capacities of the local actors and the preparation of the infrastructure.
- How to ensure that all of the guidance and principles that are stated in UNREDD can be implemented. A high enthusiasm from all of the stakeholders toward UN-REDD will fight back, if the existing principles and guidance are not implemented seriously by the UNREDD implementers. The enthusiasm to collaborate that has emerged among the indigenous

peoples and CSO will subside again, even it can lead to a mistrust get higher toward other parties.

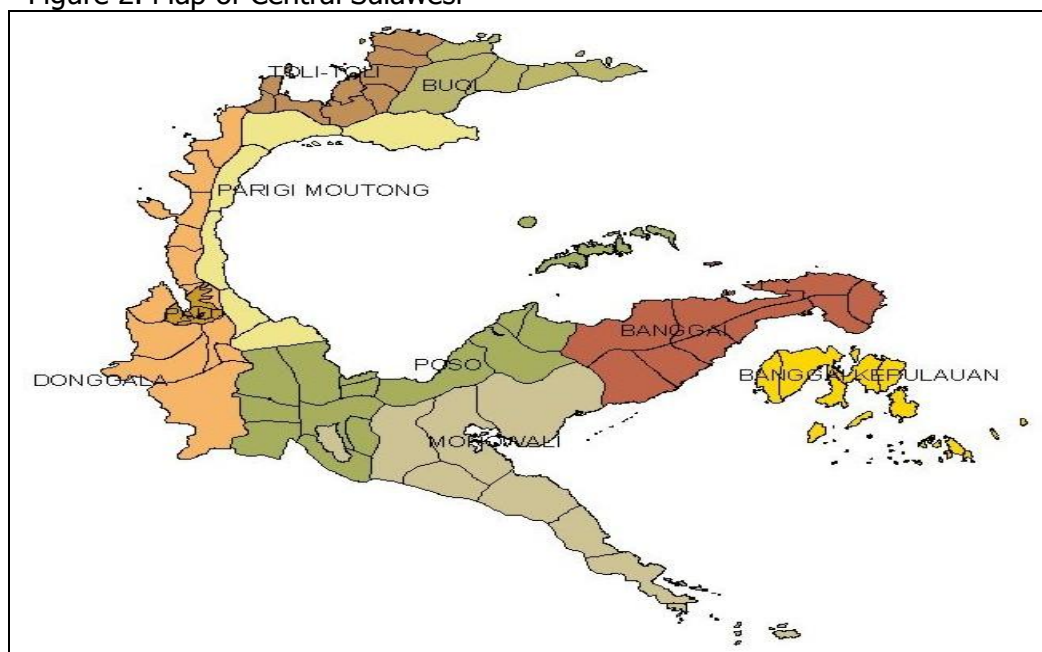
- How to encourage effective coordination among government institutions both inter-levels and inter-sectors. Related to inter-level coordination, for example, it is still seen that the information flow from the central government to the provincial government or the reverse is not so fluent. The concrete example of this is the UN-REDD program. Although the program has been discussed at the national level, with some times of socialization, the provincial governments that are selected as the pilot projects have not been informed at all.
- How to build synergic cooperation with various international funding organizations that have worked in the three provinces.
- How to improve capacity of all parties to be actively engaged in the UN-REDD program. Up to the implementation of the assessment, all of the parties (NGOs, government, university, business people, local parliament, mass media) have not heard that the provinces are nominated as pilot project locations for UN-REDD. There was once a discussion held by various organizations about REDD, but it had no connection whatsoever with UN-REDD. Hence, the most important thing that should be done since the beginning is how to disseminate information on UN-REDD to various parties massively. It is urgent that the documents in Indonesian be easy to understand by the people.
- Other capacities needed are:
 - Understanding among the local governments of the REDD scheme as the alternative economic source and mechanisms accompanied by improvement of understanding of the principles and guidance stated in the UNREDD document.
 - Improvement CSO capacity to conduct monitoring, including in monitoring budget allocation.
 - Improvement in the understanding of the people about the roles that can be played in the REDD scheme, including how to allocate the funds produced through the REDD scheme.

PART 3

ASSESSMENT RESULTS IN CENTRAL SULAWESI PROVINCE

The Province of Central Sulawesi was established by Law Number 13 of 1964 and originally consisted of four districts, namely Donggala, Poso, Banggai and Buol Toli-toli. Over the course of time and development, Central Sulawesi has split its territory and it now consists of 9 districts and 1 city or municipality, comprising 111 sub-districts, 129 urban villages and 1,404 rural villages. The land area of Central Sulawesi covers 6,803,300 hectares or 35.96 % of the total island of Sulawesi, while the population of Central Sulawesi in the year 2007 was recorded at 2,396,223³.

Figure 2. Map of Central Sulawesi⁴



According to data from MDG Indonesia, the poverty rate in Central Sulawesi is 23.67%, this is higher than the national poverty rate which is 17.75%. Most of the poor population in Central Sulawesi are concentrated in the rural areas, and they fall into the category of "structural poverty" which is caused by the following factors, among others⁵; (a) low level of education and health; (b) limited opportunity to work, inability to compete in economic activities; (c) limited capacity of the infrastructure; and (d) limited support from the social, economic and political systems and institutions. Looking at the other MDG indicators, the situation in Central Sulawesi does not appear to be very promising since almost all the indicators are lower than the national rate. The only indicator which is higher than the national rate is 'gender equality', in terms of education and occupation (table 3.1).

³ Source BPS, Central Sulawesi Province, 2007

⁴ Source: http://ptbg.sulteng.go.id/pub/index.php?option=com_rsgallery2&Itemid=0&page=inline&catid=2&id=12&limit=1&limitstart=0

⁵ This is expressly stated in the Regional Medium Term Development Plan of Central Sulawesi 2006-2011, as can be seen in the Regional Regulation of Central Sulawesi Number 5 of 2006 attached hereto.

Table 3.1. Achievement of MDGs in the Central Sulawesi Province in 2007

Goals and Indicator of MDGs Indonesia	Central Sulawesi	National
ERADICATE EXTREME POVERTY AND HUNGER	23.67 percent	17.75 percent
<ul style="list-style-type: none"> • Poverty Rate • Undernourished children aged under 5 years old 	31.32 percent	28.05 percent
ACHIEVE UNIVERSAL PRIMARY EDUCATION	92.9 percent	94.73
<ul style="list-style-type: none"> • Completion of basic schooling (Primary School / SD) • Completion of basic schooling (Junior High School / SMP) 	63.0 percent	66.52
PROMOTE GENDER EQUALITY AND EMPOWER WOMEN		
<ul style="list-style-type: none"> • Equality in primary education • Equality in secondary education • Equality in work (ratio in monthly wage between women and men) 	100.5 percent 104.7 percent (eight best) 90.1 percent	99.4 percent 100 percent 74.83 percent
REDUCE CHILD MORTALITY		
<ul style="list-style-type: none"> • Infant mortality rate • Mortality rate of children under five 	42 lives/1.000 live births 55 lives/1.000 live births	32 lives/1.000 live births 40 lives/1.000 live births
COMBAT HIV/AIDS, MALARIA AND OTHER INFECTIOUS DISEASES		
<ul style="list-style-type: none"> • People with AIDS • Malaria 	2 persons 5,919 incidents	
ENSURE ENVIRONMENTAL SUSTAINABILITY	4,105 million hectares	
<ul style="list-style-type: none"> • Area of forest land in 2005 • Households with access to clean water • Households with proper sanitation 	56.6 percent 56,5 percent (9 lowest ranking)	57.2 percent 69.3 percent

Source: Report on MDGs Achievement Indonesia, 2007

Forest management in Central Sulawesi

Based on statistics provided by the Regional Forest Office in the province of Central Sulawesi from the year 2007, the forests in Central Sulawesi cover 4,394,932 hectares or approximately 65 % of the total 6,803,300 hectares of land area of Central Sulawesi. The forests area spread out in all districts/cities with classification of function as shown in table 3. 2.

Table 3.2. Area and Function of Forest Land in Central Sulawesi Province

NO.	DISTRICT/CITY	PROTECTED AREA		CULTIVATION AREA			AMOUNT (ha)
		Conservation Area (KSA/ KPA)	Protected Forest (HL)	Limited Production Forest (HPT)	Permanent Production Forest (HP)	Convertible Forest (HPK)	
1	Palu City	5,789	7,141	4,376	-	-	39,506
2	Donggala Distr.	135,736	232,995	294,427	11,624	33,296	1,026,332
3	Parimo Distr.	60,714	162,640	127,607	22,467	22,808	603,537
4	Toli-toli Distr.	53,698	55,955	80,644	39,999	1,208	404,558
5	Buol Distr.	9,802	63,602	100,341	60,413	24,070	416,842
6	Poso Distr.	145,452	299,170	271,747	79,144	34,157	1,368,146
7	Tojo Unauna Distr.	-	10,659	193	11,759	3,221	74,600
8	Morowali Distr.	241,331	436,756	238,177	181,366	61,216	1,576,112
9	Banggai Distr.	23,726	169,669	309,113	55,526	52,529	940,553
10	Banggai Islands Distr.	-	51,336	49,691	38,291	19,351	353,114
TOTAL		676,248	1,489,923	1,476,316	500,589	251,856	4,394,932

Source: Statistics Book, Regional Forestry Office, Central Sulawesi Province, 2007

In the cultivated forest area, the government has granted Business Licenses to Utilize Timber Forest Products (*Ijin Usaha Pemanfaatan Hasil Hutan Kayu/IUPHHK*)⁶, for the products from natural forests as well as planted forests. Up to the year 2008 there were 15 companies holding the IUPHHK license for natural forests in Central Sulawesi with a total coverage of 992,155 Ha or 22.5 % of the total coverage of forests in Central Sulawesi (table 3.3), and one company holding the IUPHHK license for planted forests with a coverage of 13, 400 Ha (table 3.4). Out of the 15 companies that hold IUPHHK for natural forests, according to forest statistics of Central Sulawesi 2007, there are 9 companies in the category of "active".

⁶ The license to utilize production forest for which the activities consist of harvesting or felling, transporting, planting, tending, protecting, processing and marketing timber forest products

Table 3.3. Development in number of IUPHHK-HA licenses in Central Sulawesi till December 2007

No.	Name of Company	Area (ha)	Location	Description
1	PT. Satyasena Indratama	67,820	Donggala Distr	Active
2	PT. Satrya Yudha Wanabakti	75,000	Donggala Distr.	Non Active
3	PT. Sulwood	54,980	Donggala Distr.	Non Active
4	PT. Pasuruan Furnindo Industries	47,915	Poso Distr.	Non Active
5	PT. Tri Tunggal Eboni	98,000	Poso, Touna & Morowali Distr.	Active
6	PT. Hutan Bersama	90,000	Poso & Touna Distr.	Non Active
7	PT. Riu Mamba Karya Sentosa	34,610	Poso Distr.	Non Active
8	PT. Dahatama Adikarya	64,620	Banggai Distr.	Active
9	PT. Satyaguna Sulajaya	27,740	Banggai Distr.	Active
10	PT. Bina Balantak Raya	95,270	Banggai Distr.	Non Active
11	PT. Palopo Timber	38,250	Banggai Distr.	Active
12	PT. Balantak Rimba Rejeki	109,500	Banggai & Morowali Distr.	Active
13	PT. Wahana Sari Sakti	100,000	Morowali & Bangkep Distr.	Active
14	PT. Kalhold	48,000	Tolitoli & Buol Distr.	Active
15	PT. Sentral Pitulempa	40,450	Tolitoli & Buol Distr.	Active
T o t a l		992,155		

Source: Statistics Book, Regional Forestry Office, Central Sulawesi Province, 2007

Table 3.4. Development in IUPHHK-HT licenses in Central Sulawesi Province till December 2007

No.	Name of company	Area	Location	Description
1	HTI PT. Wana Tani Lestari	-	Morowali Distr.	License revoked
2	HTI PT. Berkas Hutan Pusaka	13,400	Banggai Distr.	Non Active
T o t a l		13,400		

Source: Statistics Book, Regional Forestry Office, Central Sulawesi Province, 2007

In the records of Walhi Central Sulawesi⁷, the IUPHHK licenses in Central Sulawesi issued by the Department of Forestry are not followed by stringent efforts of control. Controlling is only an administrative matter, that is by making a written evaluation in a report submitted by the company at certain periods of time. As a consequence, administrative breach and crimes in forestry often occur. In addition, in several regions (districts), illegal logging by the IUPHHK companies causes various ecological, economic, and even social impact that is detrimental for the community.

Several companies holding the IUPHHK license in Central Sulawesi are known to carry on the practice of destructive logging and illegal logging. Including the company named PT. Tritunggal Eboni Corporation which operates in the Tojo Unauna District and Morowali District with total concession covering an area of 98,000 ha. Based on investigation conducted during September and December 2006 it was found as a fact that PT. Tri Tunggal Eboni Corp. had conducted logging exceeds the annual logging quota listed in the company's annual work plan. Not only that, for the construction of corridor roads (to transport the logs) the company had taken over 7 Ha of crops plantation land belonging to the Tayawa Village community in the Tojo Sub-district without any clear process of compensation. In fact, in order to build such roads PT. Tri Tunggal Eboni Corp. had covered up more than 6 tributaries that were the source of clean water and irrigation for the rice fields of several villages in the Tojo sub-district, and as a direct consequence in October 2006 approximately 38 Ha of rice fields owned by the communities in Tojo Sub-district failed to yield a harvest as they had become dried up. The illegal logging operations carried on by the company since the beginning of 2006 also resulted in lower economic income for 308 families of resin collectors (tappers) from the villages in Tojo and West Tojo who collect the resin from agathis trees.

Another company holding the IUPHHK license which is also suspected of conducting illegal logging is PT. Balantak Rimba Rejeki (BRR) which operates in the districts of Banggai and Morowali in the Central Sulawesi Province which in 2006 carried out logging in the working area for Annual Workplan of 2007. PT. BRR also felled trees near the river banks upstream, causing erosion and siltation of the rivers downstream. As the result of illegal logging activities on a massive scale over the past 2 years, there are records of at least 2 flood incidents that struck the villages located in the area of the company. The same has happened with PT. Kalhold. According to an investigation by the Dopalak Foundation Indonesia, one of the members of Walhi Central Sulawesi, this company whose concession is located in the Buol and Toli-Toli districts, conducted illegal logging in 2003 in forest land outside of its legitimate logging block.

Considering the cases of management as disclosed in the public report of Walhi Central Sulawesi, it is not surprising that the quality of forests in Central Sulawesi has declined. The fact that some companies with IUPHHK license are non-active is an indication of this. During this assessment, the management of the association of forest concession holders said that the inactivity of some licensed companies is mostly due to the reduced potential of wood production

⁷ Refer to Walhi Public Report on Central Sulawesi 2008 *'Tetap Kritis di Tengah Upaya Daerah Menggapai Mimpi dengan Membabat Hutan'* (Remaining Critical Amidst the Regional Effort to Realize its Dreams by Cutting Down Forests).

in the forests under concession, making it no longer economical to manage the said forests. Even the companies that are still active today are more active conduct seedling activities in their concession area which does not directly produce profit, it is only an activity to maintain the company's control over the forest land given to them by the government. For companies that are part of a large business group, they are able to survive from cross-subsidy provided by the companies that still operate in other regions.

In the case of having an IUPHHK license for planted forests, it is very odd for a company to become non-active, since the company should be re-planting and maintaining the forests after they clear the land. Perhaps the request for a license was only a means to obtain the wood from land clearing. After the wood (trees) is gone, the company discontinued its activities. Such a situation, however, cannot be blamed only on the bad behaviour of the entrepreneurs but also on the lack of rigorous control by the forestry agencies. Past experience has shown that the government is not firm in enacting the rules and regulations that it issued itself, and naturally the entrepreneurs just follow the pace set by the government. Companies do not hesitate to give money to officials in the forestry agencies to pave the way for their business. Conversely, the 'gifts' of money to the forestry officials is often induced by the government officials themselves who take advantage of the situation to gain personal profit.

The decline in quality of the forests is also indicated by the occurrence of natural disasters in the past few years and the increased incidence of critical land⁸ in Central Sulawesi. In the year 2007, the districts of Tojo Una-una, Toli-toli, Poso, Parigi Moutong and Morowali experienced extraordinary floods and landslides, causing huge material damage and even the loss of lives, yet this region is normally not prone to flooding. Meanwhile, the expanse of critical land continues to rise and at the end of 2007 was recorded at 625,257 hectares (table 3.5).

Table 3.5. Area of critical land in Central Sulawesi till December 2007

NO.	DISTRICT/CITY	CRITICAL LAND		
		Inside Forest Area	Outside Forest Area	Total
1	PALU	15,409.55	21,139.95	36,549.50
2	DONGGALA	48,078.82	99,425.29	147,504.11
3	PARIGI MOUTONG	24,292.97	75,704.34	99,997.31
4	POSO	51,634.14	67,259.29	118,893.43
5	TOJO UNAUNA	-	-	Data still combined with Poso Distr.
6	MOROWALI	10,807.03	9,453.89	20,260.92
7	TOLITOLI	2,667.03	23,706.01	26,373.04
8	BUOL	5,410.75	32,739.15	38,149.90
9	BANGGAI	26,528.66	24,326.73	50,855.39
10	BANGGAI ISLANDS	28,311.90	58,362.30	86,674.20
TOTAL		213,140.85	412,116.95	625,257.80

⁸ Land that has been damaged and reduced its function to maintain of water system and agricultural production

Pressure of other sectors on the forest area

The pressures against conservation of forest land in Central Sulawesi come not only from mismanaged forestry companies, but also from oil palm plantations, mining activities, and the opening of areas for transmigration.

Oil palm plantations

Walhi Central Sulawesi notes several plantation companies that have converted the forests into oil palm plantations. Among others PT. Kurnia Luwuk Sejati (KLS) which has converted the forest land in several locations in the Banggai District into oil palm plantations. This company also converted areas in the Bangkiriang Wildlife Preserve in Banggai District. Besides felling the trees and clearing the land, its large scale expansion of plantation land for oil palms removed much of the plantations and farmland of the local population. We can mention a case in the village of Era, sub-district of Mori Atas where PT Rimba Alam Sejahtera (RAS), a subsidiary of Astra Agro Lestari cleared away the rubber plantations and cacao trees of the local community. The people were forced to sell their land at a very cheap price of around 500,000/ha.

PT. Sinar Mas is also a company in the business of oil palm plantations, it has been active since 2006 in the Lembo sub-district and has concession over 5,170 Ha. of forestland. The company has already planted trees and cultivates seedlings. According to its plan, PT. Sinar Mas shall manage the oil palm plantation using a people's plasma system. In the long term, Sinar Mas plans to develop oil palm plantations covering an area of 60,000 Ha, through 9 subsidiary companies. In the Poso District, from an area of 9,775 Ha land which in 1996 had been dedicated by the Governor of Central Sulawesi for human settlement and farming, the Poso District Government in 2008 issued a business license on 8,500 Ha of said land to the Oil Palm Plantation Company PT. Sawit Jaya Abadi (Astra Agro Lestari).

Mining

In the mining sector, the data from the Central Sulawesi Forestry Office mentions 3 companies that utilize forest area, totalling 40,609 ha, under a leasing scheme as given in table 3.6 below. However, based on an inventory made by Walhi Central Sulawesi, at the moment there are 4 companies that have obtained permit for a work of contract in minerals for a total area of 364,560 hectares, and 2 companies in the oil and gas sector (table 3. 7). The Infocom Bureau of Central Sulawesi also notes 2 companies holding other work contracts, namely: PT. Samideko Melindo for an area of 228,700 Ha and PT. Indo Luwuk Emas, both in the Buol District⁹.

In addition to the Work of Contract (KK), Cooperation Contract (KKs), and Production Sharing Contract (KPS) issued by the Ministry of Energy and Mineral Resources in Jakarta, the district government also issues licensing in the form of a Mining Concession (KP). The issuance of such mining concessions is currently quite popular in several districts of Central Sulawesi that have mining potential. The results of identification by WALHI Central Sulawesi show us that there has

⁹ source: <http://www.infokom-ulteng.go.id/infokom.php?id=169&846974&ss=a2c3e16e9048cc9e7a3a33542d3f271f&uid=>

been an increase in the number of mining concessions issued in the past 2 years, and the area used covers 856,622 Ha (table 3.8).

This increase in the area of land used for mining has not only caused damage and changes to the appearance of the converted forest environment and the river banks in the surrounding area, but has also caused social problems and humanitarian problems as well, among others: seizing or taking over the people's land, inadequate compensation, pressure in the form of violence or intimidation against those who do not approve of the mining activities, and conflict or potential horizontal conflict among the community caused by the presence of the mining company in the area ¹⁰. Mining activity is always followed by the construction of roads to facilitate the company's operations concerned. On the one hand it plays a role in opening up access to local communities to develop their economic activities, but on the other hand, can accelerate the destruction of forests surrounding the mining area. Forest destruction caused by felling of trees during road construction or effect of the widespread illegal logging activities after the road was made. The existence of the road eases the plundering illegal loggers to cut down of wood in the middle of the forest.

Table 3.6. Leasing of Forest Area for Mining Purposes until 2007

Company	Location	Forest Area (Ha)					APL	Description
		HL	HPT	HP	HPK	Conservation Area		
1. PT. INCO	Morowali District	-	32,000	-	-	-	-	Leasing permit being processed at the Ministry of Forestry.
2. PT. Global Pasifik Mining	Morowali District	3,909	-	453	4,247	-	1,461	No permit yet for use of area (being processed)
3. PT. Citra Abadi Mining	Morowali District	-	-	-	-	-	8,513	No permit yet for use of area (being processed)
TOTAL		3.909	32,000	453	4,247		9,974	

Source: Statistics Book, Regional Forestry Office, Central Sulawesi Province, 2007

¹⁰ Result of investigation by Walhi Central Sulawesi and Jatam Sulawesi, as presented in the Public Report of Walhi Central Sulawesi of 2008 '*Tetap Kritis di Tengah Upaya Daerah Menggapai Mimpi dengan Membabat Hutan*'

Table 3.7. List of companies with Work of Contract (Kontrak Karya/KK), Cooperation Contract (Kontrak Kerjasama/KKS) and Production Sharing Contract (Kontrak production Sharing/KPS) in Central Sulawesi (processed from varied sources)

No	Name of Company	Location	Type of Mining	License and Duration	Area (Km ² /Ha)	Operational Status
1	Exxon Mobile Oil Indonesia, subsidiary of Exxon Mobile	Surumana Block Offshore (11 nautical miles)	Oil & Gas	Cooperation Contract (KKS) 2006-2036 (30 years)	5.339 Km ²	General investigation (seismic)
2	PT. Medco E & P Tomori Sulawesi	Banggai & Morowali Districts – Senoro Block (onshore) & Toili Block(Offshore)	Oil & Gas	Production Sharing Contract (KPS) - [1997 - 2027]	475 Km ²	Exploitation
3	PT. Citra Palu Mineral (CPM) subsidiary of PT. Bumi Resources	Luwu (South Sulawesi), Kota Palu, Parimo, Tolitoli, Buol (Central Sulawesi)	Base Metal (Gold)	Work of Contract (KK) 2004 - 2028 (25 years)	234,385	Exploration
4	PT. INCO (Canada)	Petasia Subdistrict, Bungku Tengah Subdistrict, Morowali District	Nickel	Work of Contract (KK) (1968-2025)	36,635	Exploitation
5	PT. Rio Tinto (Anglo-Australia)	Lasamphala Block	Nickel and Metals	Permit of Principle	73,330	Exploration (Suspension)
6	PT. Newcrest Nusa Sulawesi	Buol, Gorontalo, Bolaangmongondow (Central Sulawesi , Gorontalo, North Sulawesi)	Gold	Work of Contract (KK)	20,210	Exploration

Source: Public Report of Walhi Central Sulawesi, 2008

Table 3.8. Mining Concessions issued by the district government in Central Sulawesi in the last 2 years

No.	District	Concessions	Area (ha)
1.	Morowali District Government	103	540,545
2.	Banggai District Government	30	175,941
3.	Poso District Government	9	80,136
4.	Buol District Government	2	10,000
5.	Tojo Unauna District Government	7	50,000
TOTAL		151	856,622

Source: processed from Public Report of Walhi Central Sulawesi 2008

Transmigration

Pressures against the forests of Central Sulawesi also come from transmigration activities that have been conducted for a long time. Some transmigration areas have been developed by converting the forests. Data up to December 2007 reveals that the forest areas converted for transmigration development have reached up to 1,820 hectares (table 3.9). When observed carefully, we notice that the forest areas released are not from forest areas that can be converted (HPK), but are instead from limited production forests (HPT) and permanent production forests (HP). This could be intentional, so that in the process of land-clearing, the wood can be taken. This happened on the Bulang plains when, in the pretext of constructing a road to the transmigration area, the contractor cut down a large number of trees. This immediately drew strong reaction from YMP and the member NGOs of Walhi Central Sulawesi, which was able to stop the activities.

In the future, the release of forest areas for transmigration settlement will continue to be done with increasing escalation, in line with the plans to build a Self-Supporting Integrated City (KTM), as one of the transmigration program developments. However, unlike the conventional transmigration programs that only provide land for the transmigrants, KTM will be followed by regional development including the development of industries, which requires more forest area to be opened / cleared than usual. Central Sulawesi intends to build and develop KTMs in 10 areas, by converting 300,000 Ha forest area in the districts of Tojo Unauna and Buol.

Meanwhile, when referring to data on the Release of Forest Areas for Transmigration issued by the Forest Planology Agency, Walhi Central Sulawesi notes that up to the year 2002 there was a release of forest areas for transmigration from the protected forests (HL) of 60 hectares, and from the Nature Reserve Forests (conservation area) of 1,979 hectares.

Community activities

In addition to pressure from large plantations, the forests also suffer pressure from the opening of farmland by the local population for the planting of second crops and cacao. There is no official data on how much of the forest area is used for the people's farming. Some NGOs for conservation and STORMA have stated that the clearing of land for people's farming has also been done in conservation areas. In the Lore Lindu National Park, for example, the local people have developed cacao farms. Meanwhile, NGOs in the field of advocacy and that deal with issues of the traditional community are of the opinion that the impact of opening farmland by the people is not as massive as the impact of large scale plantations. In addition to not being in one large location, the opening of farmland is done by very simple technology which does not cause much damage. With regard to fairness, the opening of farmland by the people can also be understood to be a fulfilment of the people's basic need.

Table 3.9. Conversion of forest area for transmigration in Central Sulawesi until December 2007

Purpose	Location	Forest Function (Ha)					Description
		HL	HPT	HP	HPK	Conser- vation Area	
Transmigra- tion	• Flatland Kalemba I and Kalemba II in Uekuli village, Tojo Una-una Sub-distr, Poso Distr.	-	700	-	-	-	Cleared in 2001
	• UPT Lalundu IV and Lalundu VII, Lalundu Village, Rio Pakawa Sub-distr, Donggala Distr.	-	700	-	-	-	Cleared in 2001
	• UPT. Maibua I, Maibua Village, Lampasio Sub-Distr, Tolitoli Distr.	-	-	-	-	-	Cleared in 1994
	• UPT. Maibua II, Mulyasari Village, Lampasio Sub-distr, Tolitoli Distr.	-	-	-	-	-	Cleared in 1995
	• UPT Bayang, Bayang Village, Dampelas Sub-distr, Donggala Distr.	-	400	-	-	-	Cleared in 2004 Ex-HPH of PT. Raslim
	• UPT Sibado/Lende, Lende Village, Sirenja Sub-distr.	-	-	-	-	-	Cleared in 2004 Ex-HPH PT. Iradat Puri
	• UPT Bokat V SP 2, Bukal Sub-distr, Buol Distr.	-	-	20	-	-	Cleared in 2006
	• UPT Gindopo, Tolitoli Distr.	-	-	-	-	-	
TOTAL		-	1.800	20	-	-	

Source: Statistics Book, Regional Forestry Office, Central Sulawesi Province, 2007

From the above description, it is shown that the main driver of deforestation in Central Sulawesi province, among others, are: (a) mismanagement of forest concession activities in the past due to weak supervision by government officials; (b) illegal logging by timber theft syndicates, both in cooperation with the authorities or not; (c) forest land conversion for oil palm plantations; (d) land clearing for transmigration areas; (e) forest land conversion for mining areas, and (f) farmland opening by the communities.

Governance in Central Sulawesi

All the stories related to pressure against the forest conditions in Central Sulawesi cannot be separated from the perception of the regional government which sees all natural resources – including forest resources – as a source of regional income. Various initiatives of the regional government have been directed towards generating the highest income possible, and the government has been very aggressive in inviting large investors to the region.

This excessive attention to the regional income has shifted the enthusiasm away from the main objective of regional autonomy. Sincerely, the application of regional autonomy should be followed by application of the principles of a democratic local governance, with the focus of attention on 3 aspects¹¹:

- First, to provide space for the public to participate in the various political activities at local level (political equality), so that the people have the opportunity to vote in elections and take part in decision-making, establish political associations and exercise their right to freedom of speech.
- Second, to provide service in the public interests as a form of accountability of the local government to the communities in the area (local accountability). Accountability requires that the government must : (a) accept responsibility for the impact on the lives of the people; (b) work in cooperation by providing information, conducting transparent processes and listening to the views of the people; and (c) provide adequate response to those views.
- Third, to accelerate social and economic development based on the needs of the local community (local responsiveness). The local government should respond to the needs of the people, which are identified through in-depth knowledge of the problems.

From the said three aspects, the most prominent in Central Sulawesi appears to be the aspect of political equality. The public are already able to become involved in political activities, including building an organisation and using the right to freedom of speech. The Election for head of region immediately becomes an arena for the people to determine their choice of a leader for their region, although it is still dominated by the interests of the elite, namely through money politics. In the legislative election, members of the community are free to run for office through the political party that they choose.

Meanwhile, the aspects of local accountability and local responsiveness are not yet evident, and if any the scale is still very small. The result of measuring Governance Index by the Partnership for Governance Reform (PGR), a quasi-government organisation that focuses its attention to developing good governance in Indonesia, indicates that the serious problems faced by the provincial government of Central Sulawesi are problems related to justice, transparency, and efficiency. These three principles can be categorized as “bad” or “poor”, where the score for justice is 1.49, transparency 1.58 and efficiency 2.21. In relation to the issue of justice, for example, the score obtained indicates that the commitment to fulfil the basic rights of the people, such as access to health, education and the program to eradicate poverty in Central

¹¹ See Summary of Research Reports on Decentralization, collaboration between Yappika, Partnership for Governance Reform and the European Union, 2006

Sulawesi is still low. This is reflected in the minimum allocation of the public budget from the three sectors in the Regional Budget (APBD).

In terms of accountability, the bureaucracy in Central Sulawesi is "very bad", having a score of only 1.00 while the aspect of transparency is in the category of "bad". The results of audit by BPK in connection with the regional budget of Central Sulawesi for the fiscal year 2007 and the difficulties experienced by the public in accessing information on the financial status of the local government are proof of this matter.

There are four arenas measured by the PGR, namely the Government, Bureaucracy, Civil Society, and the Economic Society (see table 3.10). In general, Central Sulawesi ranks 25 out of the 32 provinces in Indonesia, with a score of 4.66 which means it is in the category of "adequate". Its highest score is in the arena of Economic Society, and is in the category of "good" with a total score of 7.02. Meanwhile, Civil Society (5.70), Government (3.53) and Bureaucracy (3.88) are all in the category of "adequate".

In connection with government performance and bureaucracy, the results of measurement by PGR are not much different from the conclusion given in the Regional Medium-Term Development Plan document of Central Sulawesi 2006-2011. In the section on general governance, the document states that in the implementation of governance in terms of public service there are several problems that call for attention, particularly:

- a. The poor image and performance of the Regional Government apparatus in carrying out government tasks, development and social affairs based on the philosophy of *Good Governance*.
- b. Lack of effectiveness and efficiency in the regional government agencies in this era of autonomy, in terms of institutional structure and functions.
- c. The relatively poor quality of the human resources (apparatus) of the regional government.
- d. The application of a Government Managerial System has not been fully professional and there are no clear indicators (measurement) and pattern.
- e. The system of recruitment, placement and promotion in work is not completely based on the "fit and proper" requirements.
- f. Relatively poor insight in entrepreneurship among the government apparatus.

Table 3.10. Partnership Governance Index Central Sulawesi, 2008

	Index of Arena	Partici- pation	Fairness	Accoun- tability	Transpa- rency	Effi- ciency	Effec- tiveness
Government	3.53	5.06	1.49	5.61	1.48	2.21	6.13
Bureaucracy	3.88	3.85	5.87	1.00	3.21	4.04	6.91
Civil Society	5.70	7.00	5.85	7.00	4.00	5.47	4.32
Economic Society	7.02	8.26	5.44	7.35	10.00	5.50	5.50

Source: Partnership Governance Index (PGI)

These conditions of governance are also seen in the management of forests and other natural resources in Central Sulawesi. In certain matters, the regional government does not openly give out information regarding the development plans being prepared. For example, Central Sulawesi plans to develop KTM (independent cities) in 10 regions, by converting 300,000 ha of forests in the Tojo Unauna and Buol Districts. For this project, no public consultation has ever been made, and even the NGOs have only heard about the plan from the media. However, in other matters, it is relatively easier for the NGOs to obtain information, as they have a good relationship with the local government officials. For the Development Plans for example, the government is very open in giving out information to the NGOs. The development of electronic media has encouraged the regional government to build a website, which makes it all the more easier for all circles to access data and information from the government.

In connection with effectiveness of supervision and control and services for business people, there are some areas that still require attention. For example, in utilizing the forests it is clear that there are distinct rules stating that a company must define the boundaries of its working area within a period of three years. Yet, even though some companies do not do this, the government continues to issue licenses to companies to operate in the forests, which includes logging, as the process is full of collusion and corruption¹². Companies do not hesitate to pay bribes to the forestry officials in order to smoothen the way for their business. On the other hand, the officials themselves often behave in such a way to elicit such bribes, taking advantage of their position to get personal gain.

In the mining business, there is often an overlapping of locations for different types of licenses. For example, a certain location is already under a license for a work of contract, but the *Bupati* (district head) issues a mining concession for the same location. The *Bupati* closes his eyes to this fact because he has his own interest in mind, which is to get funds for his political interests in the election of regional heads. It has been said that for one signature on a mining concession, the *Bupati* receives around 250 million rupiahs.

In connection with the involvement of the community to participate in decision-making processes, the process is two-fold. For cases that are currently being exposed and spotlighted by the general public, the government often only involves those community groups that support the government, and therefore it is not true participation but rather a process of political legitimation. It is in this connection that demonstrations are often held by the public and the NGOs in protest of such processes. Meanwhile for the process of making decisions which concern long-term planning, there is some progress, because the government no longer hesitates to invite the involvement of NGOs, including those NGOs that are great critics of the government. In drafting the Provincial Spatial Layout Plan (RTRWP) proceed along this year, for example, the government involved Walhi and several other NGOs to be involved from the beginning until the writing of the final recommendations. In this forum, the NGOs were able to put forth their views and were accommodated in the policies formulated.

¹² As disclosed by one of the Management of the association for forest entrepreneurs in a discussion with the assessment team.

Opportunities and Challenges for the implementation of a UNREDD pilot province in Central Sulawesi Province

Opportunities:

Environmental rehabilitation programs, by the government or by international or national agencies:

- The Movement for Forest and Land Rehabilitation (*Gerhan*) implemented by the Ministry of Forestry on a national scale is implemented also in Central Sulawesi. At regional level, there is a program to save Teluk Tomini¹³ which is a collaboration between 3 provinces, namely the provinces of Central Sulawesi, North Sulawesi and Gorontalo. The success of this program depends on the good condition of the forests upstream.
- International agencies working in Central Sulawesi, among others are; (a) The Nature Conservation (TNC) which implements a program for conservation of the Lore Lindu National Park in cooperation with the National Park Board (Balai Taman Nasional) and several local NGOs; (b) UNDP that developed the LEAD program, namely a program to encourage good governance, collaborates with several local NGOs in Central Sulawesi; (c) JICA that developed a program to strengthen the capacity of the local government and local NGOs to provide guidance and assist the community. Rainforest Foundation Norway/RFN (supported local NGO conducting indigenous people empowerment and policy advocacy for forest protection); and DFID (supported Sulawesi Community Foundation/SCF conducting capacity building for local CSOs).
- STORMA (The Stability of Rainforest Margins in Indonesia) has knowledge and equipment that can be used to calculate carbon density and determine the types of plants that can be cultivated considering the conditions in Central Sulawesi. Meanwhile the centre for environmental studies at Tadulako University has succeeded in developing a program to draw the attention and concern of various parties towards the environment.
- The Forestry Office in 2008 had accompanied Carbon Strategic Global, to meet with the Governor to discuss the development of a cooperation between the Central Sulawesi government and the company for a carbon trade scheme. The company calculated that from 100,000 thousand hectares of forest, the Central Sulawesi Government would receive 1.4 trillion rupiahs/year (or approximately 50% of the Central Sulawesi Regional Budget). However, at that time there were no clear rules about an acceptable scheme for fund management, and so the discussions were temporarily stopped. This was to prevent any mistake in procedure of managing the funds received. The incessant news of corruption cases being uncovered made the Central Sulawesi refrain from developing any scheme before the rules were clear. Today, with the enactment of several regulations by the

¹³ The Gulf of Tomini (Indonesian: Teluk Tomini) is a gulf near the island of Sulawesi, Indonesia. It is bounded on its north and west sides by the Minahassa Peninsula and on the south side by the East Peninsula, Sulawesi. To the east it is open to the Pacific Ocean.

Minister of Forestry in connection with REDD, the Central Sulawesi government is beginning to discuss the matter again.

Civil Society Organisation and Multi-stakeholders Forum

- In general there are 3 categories of CSO in Central Sulawesi with different capacities, they are: CSOs in the field of conservation, community development and advocacy. These CSOs can synergise with each other, although in certain cases there is often a difference in opinions. Some CSOs that are active in issues of natural resource management are Walhi Central Sulawesi, Jatam Sulawesi, YMP, YTM, YPR, Jambata, Bantaya and AMAN. As a note, in addition to AMAN there are traditional community organisations that have developed at district level based on a letter of decision issued by the local government.
- There are examples of ongoing multi-stakeholders work development that can be used as a model for institutional framework in the future. In general, there is a current tendency for NGOs to engage in dialogue with the government, and vice versa. The NGOs also do not hesitate to join multiparty forums that involve the government, universities, mass media and NGOs. There is no multiparty cooperation that involves the DPRD. An initiative was once developed to build a political caucus involving several DPRD members from different parties, but this did not last long. Besides being too busy, the DPRD members often could not reach agreement on decisions as they were influenced by their respective political orientations.

Some of the multi-stakeholder forums in Central Sulawesi are, among others : Forum of Watershed Area Management (Forum Daerah Aliran Sungai), Communication Forum for Community Forestry (Forum Komunikasi Kehutanan Masyarakat/FKKM), and the Lore Lindu National Park Forum. FKKM involves entrepreneurs, universities, NGOs, and several government agencies. This Forum is quite active and discusses problems related to forests in Central Sulawesi. All the parties are always present when FKKM conducts activities. One of the reasons for the active attendance of the members is because the owner is a person who is respected and accepted by all the parties. For the NGOs, the multi-stakeholder forums are considered to be the appropriate media to deliver their ideas directly to the parties participating in the forum. Even so, this does not mean that the involvement in the multiparty forum will push aside the other media as a means for expression, such as informing through the media, demonstrations, if it is felt that the multiparty forum does not accommodate the proposals of the NGO.

In addition to the multi-stakeholder forums already mentioned above, there is also a National Forestry Council (DKN), where one of the members comes from Central Sulawesi. Multistakeholder forums such as DKN have good potential to be developed at the provincial level, as they can become a forum to give recommendations to the policy makers at regional level. This initiative had already been tried for development in Central Sulawesi, but there was no follow-up.

The availability of laws and regulations at regional level that can be used as a legal umbrella, both for matters related to the management of natural resources as well as matters of good governance. In connection with the management of natural resources there is the Regulation of Central Sulawesi Province Number 02 Year 2004 on the Central Sulawesi Provincial Spatial

Plan. In connection with Good Governance there is the Regulation of the Central Sulawesi Province Number 5 Year 2006 on the Regional Medium-Term Development Plan.

Some issues that constitute a **challenge** for the development of UNREDD in Central Sulawesi are:

- How to integrate the UNREDD program into the regional development plan, as it will be related to the orientation of development, the capacity of local actors and preparation of infrastructures. If we look at the Regional Medium-Term Development Plan of Central Sulawesi for the period of 2006-2011, there is no REDD (nor other issues related to climate change) incorporated here since at the time of formulating the regional medium-term development plan in 2006, the issue of climate change had not yet surfaced. In formulating the medium-term development plan for the next five years (2012-2017) effort should be made to include those issues related to REDD.
- How to ensure that all the guidelines and principles in UNREDD can be implemented. Strong enthusiasm from all the stakeholders towards UNREDD could become a boomerang if the available principles and guidelines are not implemented seriously by the UNREDD executing agency. The spirit to collaborate with each other which is just beginning to emerge among the traditional communities and the CSOs could reside, and even result in a loss of confidence and distrust towards other parties.
- How to build a synergic cooperation with the various international funding agencies already working in Central Sulawesi. Some of these agencies that have been working in Central Sulawesi so far, do not hold regular meetings where they can share their experiences. Each of the existing fund agencies focuses its attention only on its own program.
- How to improve the capacity of all parties so they can become actively involved in the UNREDD Program. Up to the assessment, all of the parties concerned (NGOs, the government, university, entrepreneurs, DPRD, mass media) had never heard that Central Sulawesi was nominated as one of the locations for UNREDD pilot project. Some discussions had been held by several agencies about REDD, but they had no relationship at all with the UNREDD program. Discussion among the NGOs regarding the REDD issue was supported by the Sulawesi Community Foundation (SCF) an institution for the development of resources (resource organisation) which supports the works of local NGOs. Socialization activities regarding REDD are carried out by SCF in cooperation with Jambata, an NGO in Palu. Besides SCF, several other organisations such as Walhi Central Sulawesi, YMP Palu and AMAN had also held discussions about REDD and involved various institutions in Central Sulawesi. Among government circles, there were almost no discussions about REDD, and so their knowledge about this issue is minimum. Likewise among the general public. Therefore, the most important matter from the beginning is how to disseminate information about UNREDD to the general public on a massive scale. There must be documents in Bahasa Indonesia that the people can easily understand.

PART 4

ASSESSMENT RESULTS IN GORONTALO PROVINCE

The province of Gorontalo is the result of the division of North Sulawesi province in year 2000 (determined by Act No. 38/2000). The new province of Gorontalo has an area of 1,221,544 hectares. Currently, the province of Gorontalo consists of 5 (five) regencies and 1 (one) city, namely; regency of Boalemo, Gorontalo, Pohuwato, Bone Bolango and North Gorontalo and the city is Gorontalo. In 2008, the province of Gorontalo consists of 66 districts and 615 villages with a population of 960,335 (according to Census 2007)¹⁴.

Figure 3. Map of Gorontalo Provinces



Source: http://www.indonesia.go.id/id/images/pemda/peta_gorontalo.gif

Based on the data from Millennium Development Goals (MDGs) Indonesia, the poverty rate of the province of Gorontalo is 31.54%, ranking third out of 32 provinces in Indonesia. For other MDGs indicators, only things related to gender equality that exceeds the national rate. Most of the indicators are below the national average, and the number of malnourished the children in the province of Gorontalo is the highest in the country (table 4.1).

¹⁴ Gorontalo in Figures, 2009: Statistic Data Center of the Province of Gorontalo, 2009

Table 4.1. Achievement of MDGs in the Gorontalo Province in 2007

Goals and Indicator of MDGs Indonesia	Gorontalo	National
ERADICATE EXTREME POVERTY AND HUNGER		
• Poverty Rate	31,54 per cent (the third rank)	17.75 per cent
• Undernourished children aged under 5 years old	41,48 per cent (the highest rank)	28.05 per cent
ACHIEVE UNIVERSAL PRIMARY EDUCATION		
• Completion of basic schooling (Primary School / SD)	90,5 per cent	94.73
• Completion of basic schooling (Junior High School / SMP)	52,3 per cent (the lowest rank)	66.52
PROMOTE GENDER EQUALITY AND EMPOWER WOMEN		
• Equality in primary education	101,4 per cent	99.4 per cent
• Equality in secondary education	101,4 per cent	100 per cent
• Equality in work (ratio in monthly wage between women and men)	115, 6 per cent (the highest rank)	74,83 per cent
REDUCE CHILD MORTALITY		
• Infant mortality rate	50 /1.000 living births	32 /1.000 living births
• Mortality rate of children under five	67 jiwa/1.000 living birth	40 /1.000 living births
COMBAT HIV/AIDS, MALARIA AND OTHER INFECTIOUS DISEASES		
• People with AIDS	3	
• Malaria	817 events	
ENSURE ENVIRONMENTAL SUSTAINABILITY		
• Area of forest land in 2005	840,000 hectares	
• Households with access to clean water	52.1 percent	57.2 percent
• Households with proper sanitation	52.0 percent (the seventh lowest)	69.3 percent

Source: Report on MDGs Achievement Indonesia, 2007

Forest Management in Gorontalo

Based on the data from the Office of Forestry and Mining of the Province of Gorontalo, up to 2005 the area of forest in Gorontalo is 826, 383 hectares, or 67.65% of the area of the province. The forest area spreads out in all of the regencies/towns with the division of functions as shown in table 4.2.

Table 4.2 Areas and Functions of Forest Regions in the Province of Gorontalo in 2005

NO.	DISTRICT/CITY	PROTECTED AREA		CULTIVATION AREA			AMOUNT (ha)
		Conservation Area (KSA/KPA)	Protected Forest (HL)	Limited Production Forest (HPT)	Permanent Production Forest (HP)	Convertible Forest (HPK)	
1	Boalemo Distric	27,217	26,974	54,276	14,147	6,492	129,106
2	Bone Bolango Distric	109,059	25,737	7,747	5,648	--	148,191
3	Gorontalo (and North Gorontalo) Distric	6,152	38,884	94,522	36,321	8,367	184,246
4	Pohuwato Distric	55,156	73,457	185,902	44,568	5,314	364,397
5	Gorontalo City	-	442	-	-	-	442
TOTAL		197,584	165,494	342,447	100,684	20,173	826,382

Source: Office of Forestry and Mining of the Gorontalo Province

At the beginning of the formation of the province of Gorontalo in 2000, the management of the production forest in Gorontalo was conducted by 6 (six) forest logging companies who managed to 472, 200 hectares of the forest area. The six companies were PT. Wenang Sakti (263,000 hectares), PT. Sapta Krida Kita (57,000 hectares), PT. Kawanua Sakti/Taiwi (55,000 hectares), PT. Inimex Intra (50,500 hectares), PT. Centralindo Panca Sakti (21, 500 hectares), and PT. Gunung Latimojong/Gulat (25,200 hectares). However, today the companies are no longer active since most of the forest is heavily degraded. The provincial government of Gorontalo has also stopped giving recommendations to issue a permit for the forest concession companies to operate in Gorontalo. What remains vivid today is illegal logging, which has worsened the degradation of forest quality that has happened in the past. One of the effects of the degradation of the forest in Gorontalo is the flood that occurs almost every year in Gorontalo, with an economic cost about Rp 44 billion¹⁵. Besides, the degradation of the environment is also apparent from the shallow river beds in 10 of river flow areas in the province of Gorontalo¹⁶ and the extension of critical lands in 2009 which reaches about 179, 525 hectares.

Ironically, the provincial government of Gorontalo still tries to clear the forest for other activities. The provincial government has proposed to the minister of forestry to release 15,190 hectares of the forest area in some regency, including those that are situated in Bogani Nani Wartabone National Park, the exclusion of this forest area will be done in the revision process of spatial planning which is now in progress. The governor of Gorontalo with the

¹⁵ TEMPO magazine, English Edition No. 35/VIII/ April 29 – May 05, 2008

¹⁶ See The Three Year Evaluation of the implementation of the National Medium Range Development Plan 2004 – 2009 in the Province of Gorontalo, “ Bersama Menata Perubahan” (Together We Structure Changes”), partnership between the National Development Planning Board and The State University of Gorontalo.

support of the head of the regency of Bone Bolango and the head of the Local Planning and Development Board have met the Minister of Forestry to discuss the conversion of this forest area. The result of the discussion with the Minister will be disseminated to Commission IV of the Parliament of the Republic of Indonesia to get approval, since under the forestry law the extrication of forest area cannot be done by the Minister of Forestry without the approval of the Parliament. Up to the present this process still continues.

The National Park Management Body does not approve the plan to release the forest area in the National Park area being afraid of flood, landslide and the destruction of biodiversity in the area. Releasing of this forest area might cause the escalation of the effect of the flood since the National Park is a water catchment area for watershed from Dumoga, Mongondow, and Bone. Actually, if it is calculated in terms of financial benefit, the service that the National Park offers to the environment is huge. According to the National Park Office, the forest in the National Park supply water for the rice-fields, to Drinking Water Local Government Company and for household requirement. The economic value for stable water supply can reach Rp 1 trillions each year.

To demonstrate the disapproval, the head of the National Park wrote a letter to the Directorate General of Forest Protection and Nature Conservation of the Department of Forestry to give some consideration about the extrication of the forest region in the Province of Gorontalo. The photocopies of this letter were also handed to NGOs to get support¹⁷. The support to the attitude of the management of the National Park does not only come from NGOs, but also from some reporters and universities, by writing their opinions and stating them in the mass media.

Pressure on the Forest Area

In addition to the plan to release the forest area in the National Park, The forest in Gorontalo has also been destroyed and degraded due to activities in other sectors, such as plantation and mining.

Plantation

Governmental campaign to make Gorontalo an agricultural province has encouraged the people to plant corn in their lands, since the price is currently very high. This enthusiasm has even caused the people to open their plantations inside forest, including in the protected forests. The finding in a study by a lecturer of the State University of Gorontalo shows that a 30% decrease in the area of forests around the sub river flow area of Alopoho has been caused by the development of corn plantations by local people¹⁸. Beside forest conversion done by the

¹⁷ See Letter by Head Bogani Nani Wartabone National Park No. 5975/BTNBNW-2/3009, dated October 12, 2009

¹⁸ Personal communication

people, the government has also signed an MoU to develop a bio-fuel zone in the regency of Pohuwato in the forest region with the area of 230,000 to be planted with palms and castor oil plants as raw materials for bio-fuel.

The signing of the MoU was carried out at the beginning of 2007 between Clean Biofuel International pte Ltd, a company based in Singapore with the Governor of Gorontalo and the regent of Pohuwato. In the MoU it is stated that the company is responsible to provide capital, equipment and technology and build a processing plant, whilst the local government arranges the availability of land, policies and facilities the procurement of goods. The size of 230,000 ha of land will be allocated as a plantation area, an area for cultivation of seedling and a site for the processing plant.

Mining

Up to 2008, three work of contract permits for mining have been issued by the Department of Mining in Jakarta with a total of 48.916 hectares (Table 4.3). In addition, 19 mining concessions have been issued by several district governments in Gorontalo, with a total of 254,599 hectares (Table 4.4). Beside the mining activities that have got official permits from the central government and district government, there have been gold mining activities without a permit done by about 7,100 people¹⁹ by occupying a region of 300 hectares²⁰. Most of the land used for the mining activities is situated in the forest area. The provincial government orientation that views forest as area that can be used for mining activities is also reflected from the merger of forest and mining sector in one office/department. This merger, by some circles, is regarded as a method to facilitate "coordination" in forest land allocation for mining.

¹⁹ As expressed by the Head of the Division of Biological Environment Management, Research and Information Technology of the Province of Gorontalo in a news media.

²⁰ See research reports bioregion Sulawesi Perception and Non-Government Organization Government About Natural Resource Management, by Verrianto Madjowa, 2007

Table 4.3. List of Contract of Work (KK) in the Gorontalo Province in 2008

No	Name of Companies	Location	Types of Mines	Permits	Area (Hectares)	Operational Status
1	PT. Gorontalo Sejahtera Mining	Sub-district of Boliyohuto, Gorontalo	Gold	Dept. of General Mining June 18, 2007	5.488 ha	Exploration
2	PT. Gorontalo Minerals	Bone Bolango District	Gold	Dept.of General Mining Oct 10, 2007	36.070 ha (part of them located in National Park)	Exploration
3	PT. Gorontalo Sejahtera Mining/PT. Avocet	Marisa sub-district, Pohuwato	Gold	Dept. of General Mining June 18, 2007	7.358 ha	Exploration

Source: summed up from List of KK and KP in the Districts of Gorontalo Province up to 2008, Office of Forestry and Mining of the Gorontalo Province, 2009

Table 4.4. List of Mining Concession (KP) issued by the District Government in Gorontalo up to 2008

No.	Regency	Number of permits	Types of mining	Area (hectares)
1.	Gorontalo	5	Gold, copper	37.491
2.	Gorontalo Utara	6	Gold	112.163
3.	Boalemo	1	Gold	5.700
4.	Bone Bolango	5	Gold, copper	81.965
5.	Pohuwato	2	Gold, copper	17.280
TOTAL		19		254.599

Source: summed up from List of KKs and KPs in the Regencies of Gorontalo up to 2008, Office of Forestry and Mining of the Province of Gorontalo, 2009

Governance in Gorontalo

Based on the measurement of Partnership Governance Index, conducted by Partnership, in general the province of Gorontalo obtains 5.51, which falls into category "good enough," ranks 8th out of 32 provinces in Indonesia. This achievement is contributed by the performance in the bureaucratic arena that scores 7.00 and the government arena that scores 6.00. On the other hand, the economic society scores 4.35 and the lowest score is obtained by the civil society arena with the score of 3.89 (table 4.5).

Table 4.5. Partnership Governance Index Gorontalo 2008

	Index of Arena	Participation	Fairness	Accountability	Transparency	Efficiency	Effectiveness
Government	6.00	5.49	1.43	8.91	5.82	7.36	6.06
Bureaucracy	7.00	7.45	5.59	10.00	4.74	7.11	6.73
Civil Society	3.89	4.00	7.00	5.32	1.00	1.00	4.88
Economic Society	4.35	5.50	4.00	5.50	1.00	5.50	5.50

Source : Partnership Governance Index (PGI), 2008

From the table above it can be seen that in the bureaucracy arena, the principle of accountability obtains a very good score (10.0), while in participation, efficiency and effectiveness it falls into category "good." In the bureaucracy arena, the lowest score is obtained by the principle of transparency (4.74), falling into category "good enough."

Government has the score of 6.00, or "good enough." The principle of accountability falls into category "very good (8.91). For the principle of efficiency (7.36), effectiveness (6.06), and transparency (5.82), the three of them fall into category "good," while the principle of participation (5.49) falls into category "good enough." Only in the principle of fairness, the arena of government falls into category "bad" with the score of 1.43.

The economic society arena obtains a good score (4.35), however, the principle of transparency gets a very bad score (1.00), while other principles can be categorized into "good." The same score is contributed by four principles, i.e. participation, accountability, efficiency and effectiveness, each of which gets the score of 5.50.

From the four arenas measured by PGR, the lowest score is obtained by civil society arena (3.89). Only one principle that gets category "good," i.e., the principle of fairness (7.00), while the principle of transparency falls into category "very bad" with the score of 1.00.

Related to the reality in the forest and other natural resources management, these figures match the actual realities. The unfairness of the government, for example, is reflected from how the provincial government of Gorontalo tried very hard to keep in order “illegal” gold miners, even the government runs an integrated operation by involving the Office of Forestry and Mining, the police and the army. But at the same time the government lobbied intensively ministry of forestry to release the forest in national park area that is much broader and allows a large scale mining company to do mining activities there.

For other principles, the provincial government of Gorontalo does try very hard to develop good governance. As a province led by a businessman, Gorontalo tries to show an image that facilitates investment in the region. Some efforts that have been done by the government of Gorontalo are as follows²¹; (a) the governor signed a work contract with SKPD at the beginning of the program implementation year and did the monitoring and evaluation every quarter and semester of the progress made in the program, (b) conducting education and training programs for government officers, (c) improving the system and procedure for drafting local regulation that efficient and effective, (e) dissemination and socialization of knowledge and awareness regarding laws and human rights based approach for government apparatus, and (f) improving welfare of the government apparatus to encourage performance in improving public service quality. Considering these efforts it is no wonder if the scores for government arena and bureaucracy arena fall into category “good”.

Concerning the condition of the civil society, although more than 100 organizations are listed in the Office of National Unity and Society Protection (Kesbanglinmas), but only a few NGOs have community capacity building activities and policy advocacy. Moreover, only two of the organizations are relatively active, i.e; Society for Research on Gorontalo Development (Lembaga Pengkajian Pembangunan Gorontalo/LP2G) and Advocacy Network for Natural Resources Management (Jaringan Advokasi Pengelolaan Sumberdaya Alam/Japesda). Other organizations only emerged at certain moments, particularly during head of local government elections to give political support to one of the candidates. These organizations were largely formed by political elites or bureaucracies to support them, not out of awareness or idealism of the activists. In the province of Gorontalo there are not any indigenous people organizations that articulate the indigenous people’s interest and rights. The existing indigenous people’s organizations participate more in the sphere of art and culture. Their establishment was initiated by the local government, and the organization leaders are appointed by the decree of the Regent. With this condition, it is no wonder if the civil society arena falls into category “sufficient.” Moreover, the local mass media in Gorontalo depends heavily on partnerships with the local government through the provision of page to publish news from particular regency.

²¹ See The Three Year Evaluation of the implementation of the National Medium Range Development Plan 2004 – 2009 in the Province of Gorontalo, “ Bersama Menata Perubahan” (Together We Structure Changes”), partnership between the National Development Planning Board and The State University of Gorontalo.

Although only two organizations that are relatively active, but their presence is taken into account by the local government, since most of these NGO activists came from the academics, and even some of them are lecturers who frequently writes articles in several media. They also have a good relationship with some local legislators, so that the issues they advocate always get noticed by decision makers in Gorontalo. For example, advocacy on moratorium of logging concessions in Gorontalo conducted by Japesda have a positive response from the provincial government. Meanwhile, LP2G very active campaigning budget allocations for health and education of the poor. Two issues they raise, namely environmental issue (Japesda) and Good Governance issue (LP2G) are strategic to influence development process in Gorontalo. They also have an extensive network outside of Gorontalo, both at Sulawesi and national level.

Perspective of parties on UNREDD Program

The UNREDD principles and guidance are much appreciated by all parties in Gorontalo. The government of Gorontalo is very open to accept the principles that are stated in the UNREDD program since they parallel to their enthusiasm to develop good governance. The initiative of the UNREDD is also in line with the principle of forest restoration, i.e., how to improve the badly destroyed forest condition to enable the forests to function again and to continue showing a concern to the local economic income and social life. In the COP in Bali in 2007, the governor of Gorontalo expressed committed to develop a REDD scheme in Gorontalo, although this has not been followed by concrete steps.

The few civil society organizations support the initiative of UNREDD very much since it can be an alternative to the opening of forest for mining which a common thing in Gorontalo now. The principles and guidance of the UNREDD can support the change in the approach to the development up to now, which has been extractive. One of the activists from an NGO that has once trained on a training about REDD conducted by ICRAF saw that this initiative can involve communities around forests, so far the working mechanism that has been developed opens room for the full involvement of the communities.

University and research organizations in Gorontalo support the initiative of the REDD. Some academia from Islamic Institute of Gorontalo (IAIN) and Gorontalo University also participated in the training conducted by ICRAF.

Opportunities for the development of UNREDD in Gorontalo are

- The presence of support from various parties, with the rationales: (a) the condition of forest zone that has increasingly decreased in terms of quality which has caused natural disasters such as flood and landslide that are detrimental to the social life; and (b) an alternative

source of local economic income and simultaneously reducing the pressure on the forest zone caused by extractive mining activities.

- The presence of some people that have been involved in training on REDD conducted by ICRAF, originating from tertiary education institution, NGOs and local government. The people involved in this training have got knowledge and technical skill to do carbon density counting. These people can be gathered again as the initial motivators to develop the UNREDD program in Gorontalo. The effort to meet with each other among the ex trainees was once made by one of the trainees, but has never been followed up.
- The presence of initiative from the State University of Gorontalo to develop a model project for forest rehabilitation and agricultural development that is environmentally friendly in partnership with the local government of Gorontalo. In addition, the effort to introduce the issue of environment service was also made by one of the lecturers of IAIN.
- The presence of environment rehabilitation programs, conducted by the government and the international/national organizations. Forest and Land Rehabilitation Movement Program (Program Gerakan Rehabilitasi Hutan dan Lahan/Gerhan) that is in line with that conducted by the Department of Forestry nation-wide is a program that parallels to and is related to the UNREDD program. At the local level, there is also a program for saving Teluk Tomini that is conducted collaboratively by three provinces, i.e., the provinces of Central Sulawesi, North Sulawesi, and Gorontalo.
- There are some international organizations in partnership in Gorontalo that can be potential working partners for the UNREDD program, including CARE that conducts clean water program, JICA (Capacity building for the government and CSO to conduct Community Development), IUCN (Program for Teluk Tomini/Susclam), Canada Fund (for community development programs), The Asia Foundation/TAF (participatory budgeting programs), Transparency International (for Regency Integrity Pact), CIDA (for Environment Governance Sustainable Livelihood Program /EGSLP), and currently, in preparation, BASICS program (for issues of improvement of public services conducted by the government), UNDP also currently prepares other programs in Gorontalo to strengthen the capacity of the provincial government (Provincial Government Strengthening Program/PGSP).
- There are two NGOs that are vocal enough in articulating the interest of the people, i.e., Japesda and LP2G. Japesda (Advocacy Network for Natural Resources Management) is a nonprofit organization established since 2000, with the aim of serving in the realization of people's strength focused natural resources management. This organization is in the form of individual gathering that focuses on activities such as policy advocacy on natural resources management, investigation and campaign on natural resources management, the development of natural resources-based community economic businesses, and the

extension of community political participation in natural resources management. Currently, Japesda is engaged in the Susclam (Sustainable Teluk Tomini Bay Management) project supported by IUCN and CIDA.

LP2G (Society for Research on the Development of Gorontalo) is an active organization in the issues on and democratic local governance in the province of Gorontalo. Since the beginning of the establishment of LP2G it has decided on the development of the basis of the partnership with various parties in the Province of Gorontalo, with the government, nongovernmental organizations and the communities. The partnership is the characteristics of this organization in conducting activities with various organizations, without reducing the critical attitude toward the government. There are quite a number of national and international organizations that cooperate with LP2G, including JICA, UNDP, Care International , The Asia Foundation (TAF), Transparency International Indonesia (TII), and Center of Legal and Policy Studies (Pusat Studi Hukum dan Kebijakan/PSHK)

PART 5 ASSESSMENT RESULTS IN NORTH SULAWESI

The Province of North Sulawesi was established by Law No. 13 of 1964, with a total area of 1,527,300 Hectares. Currently, the North Sulawesi province consists of 11 (eleven) districts and 4 (four) cities, with a population in the year 2008 as many as 2,208,012 people²².

Figure 3. Map of North Sulawesi



Source: santospalanti.files.wordpress.com/.../sulut.jpg

According to data from Millennium Development Goals (MDGs) Indonesia, the poverty rate in North Sulawesi is 14.51%, better than the national rate of 17.75%. For the other MDGs indicators, North Sulawesi is in better condition than the conditions at the national level, except for basic education which is slightly below the national rate (table 5.1).

²² Source: North Sulawesi in Figure, 2009

Table 5.1. Achievement of MDGs in the North Sulawesi Province in 2007

Goals and Indicator of MDGs Indonesia	Central Sulawesi	National
ERADICATE EXTREME POVERTY AND HUNGER	14.51 percent	17.75 percent
<ul style="list-style-type: none"> • Poverty Rate • Undernourished children aged under 5 years old 	23.11 percent (fifth best)	28.05 percent
ACHIEVE UNIVERSAL PRIMARY EDUCATION	90.4 percent	94.73
<ul style="list-style-type: none"> • Completion of basic schooling (Primary School / SD) • Completion of basic schooling (Junior High School / SMP) 	66.0 percent	66.52
PROMOTE GENDER EQUALITY AND EMPOWER WOMEN		
<ul style="list-style-type: none"> • Equality in primary education • Equality in secondary education • Equality in work (ratio in monthly wage between women and men) 	99.5 percent 109.5 percent 110.2 percent	99.4 percent 100 percent 74.83 percent
REDUCE CHILD MORTALITY		
<ul style="list-style-type: none"> • Infant mortality rate • Mortality rate of children under five 	19 lives/1.000 live births (second lowest) 22 lives/1.000 live births	32 lives/1.000 live births 40 lives/1.000 live births
COMBAT HIV/AIDS, MALARIA AND OTHER INFECTIOUS DISEASES		
<ul style="list-style-type: none"> • People with AIDS • Malaria 	124 persons 2,613 incidents	
ENSURE ENVIRONMENTAL SUSTAINABILITY	731 million hectares	
<ul style="list-style-type: none"> • Area of forest land in 2005 • Households with access to clean water • Households with proper sanitation 	63.8 percent 84,1 percent (third the best)	57.2 percent 69.3 percent

Source: Report on MDG Achievement, Indonesia, 2007

Forest management in North Sulawesi

Based on data from the Forestry Service of North Sulawesi province, until the year 2008 the forest area in North Sulawesi is 788,693 ha, or 51.63% of the total area of the province. These forests are spread out in all the districts/cities with the classification of functions as shown in table 5. 2.

Table 5.2. Area and Function of Forest Land in North Sulawesi Province

NO.	DISTRICT/CITY	PROTECTED AREA		CULTIVATION AREA			AMOUNT (ha)
		Conservation Area (KSA/KPA)	Protected Forest (HL)	Limited Production Forest (HPT)	Permanent Production Forest (HP)	Convertible Forest (HPK)	
1	Kab. Bolaang Mongondow	157.019,20	63.299,09	79.680,67	43.976,51	-	343.975,47
2	Kabupaten Minahasa	3.216,57	7.962,27	5.053,08	-	-	16.231,92
3	Kab. Kepulauan Sangihe	--	12.349,59	-	-	-	12.349,59
4	Kab. Kepulauan Talaud	24.405,62	11.998,92	2.457,23	-	-	38.861,77
5	Kab. Minahasa Selatan	22.506,98	21.538,67	11.401,17	14.696,67	-	70.143,49
6	Kab. Minahasa Utara	2.851,96	15.938,27	10.427,54	-	-	29.217,77
7	Kab. Bolaang Mongondow Utara	34.112,75	30.414,63	86.116,58	6.332,95	14.643,00	171.619,91
8	Kab. Kepulauan Sitaro	--	3.210,45	-	-	-	3.210,45
9	Kab. Minahasa Tenggara	--	3.985,68	14.718,43	2.417,87	-	21.121,98
10	Kab. Bolaang Mongondow Selatan	--	-	-	-	-	--
11	Kab. Bolaang Mongondow Timur	--	-	-	-	-	--
12	Kota Manado	67.583,81	272,48	-	-	-	67.856,29
13	Kota Bitung	8.651,63	4.476,99	-	-	-	13.128,62
14	Kota Tomohon	91,54	511,96	269,29	-	-	872,79
15	Kota Kotamobagu	102,94	-	-	-	-	102,94
TOTAL		175.959,00	320.543,00	210.123,99	67.424,00	14.643,00	788.692,99

Source: North Sulawesi in Figure, 2009

Forest concessions that operating in North Sulawesi getting down from year to year. If in 1995 there were 9 (nine) companies that managed forest area of 676,650 ha, in 2005 only 2 (two) companies with a total area of only 60,800 ha²³. In the year 2008 forest area that managed by companies shrinks again to 48,000 ha, although the number of entrepreneurs increased to 3 (three) companies, namely; PT Kawanua Kahuripan Pantera (7,000 ha), PT. Lembah Hijau Semesta (24,000 ha) and PT Huma Sulut Lestari (20,000 ha).²⁴

²³ Directorate General of Forestry Production Development, nd

²⁴ See Harian Komentar, one of the local mass media, July 25, 2008 edition

The decline of forest area managed by the company not only caused by the separation of the North Sulawesi province to be North Sulawesi and Gorontalo, but also due to the company handed back their licences to the Ministry of Forestry. In 2004, for example, PT. Inimexintra who manage natural forests covering 50,500 ha, returned its licences that they received in 1991 to the Ministry of Forestry²⁵. No explanation on the reason for this, it could be, because of the timber stock has decreased due to mismanagement of the forest in the past so that no longer economical to be managed for the future.

In the era of decentralization, forest management in North Sulawesi are still focused on the economic aspects while the ecological and social aspects are not taken seriously. This situation is exacerbated by the efforts to improve Provincial Revenue (Pendapatan Asli Daerah/PAD) directly from the forestry sector. As a result, floods and landslides hit many areas in North Sulawesi. In 2008, floods and landslides occurred in the city of Manado, South Minahasa regency, Bolaang Mongondow and South Mongondow Bolaang. In addition to deaths and injuries, this disaster destroying houses, bridges, school buildings and agricultural land.

Pressure of other sectors on the forest area

One of the causes of forest destruction in North Sulawesi is illegal logging that is triggered by an over capacity in the wood processing industry. For example, in Mongondow Bolaang district, there are 9 (nine) licenses for sawmills issued by Department of Industry and Trade of Bolaang Mongondow with an installed capacity of 3850 m³. The supply of raw materials from 17 business permits for harvesting timber issued by the Regent is only 340 M³. Thus, there is a shortage of raw materials for industrial supplies of 3510 M³. This condition opens the possibility of illegal logging.

Some of the forest land in North Sulawesi has been converted to non-forestry purposes, such as transmigration and mining. For the transmigration purposes, there are 515 ha protected forest land occupied by Kakenturan transmigration area, even though the Ministry of Forestry has not released the forest area yet.

Regarding the mining sector, pressure on the forests land results from both mining operation done by the community (small-scale mining) and from companies (large-scale mining). Approximately 161 ha of forest area has become small-scale mining area²⁶, while for large-scale mining currently listed PT Meares Sopotan Mining (MSM) has a contract of work area 8.969 ha, some of which are in protected and production forest areas. The other company is PT. Avocet Mongondow Mining (AMM) that operated in Bolaang Mongondow. From 653.30 ha of PT. AMM's mining area identified that 186 ha of which are in Mobungayom protected forest.

In general, in North Sulawesi, there are 4 (four) licences for mining companies issued by the central government, however only one company is still active, namely PT. Mongondow Avocet Mining. The three other companies are no longer in operation. PT. Newmont Minahasa Raya (NMR) in Southeast Minahasa has stopped operations since August 2004 because the license is

²⁵ http://phapl.dephut.net/cms_phapl/download/Monitoring%20Pencabutan%20IUPHHK.pdf

²⁶ See the report of Environmental Management Agency (BPLH) of the North Sulawesi Province (April, 2007)

not renewed again; and PT. Meares Sopotan Mining (MSM) and PT. Mine Tondano Nusajaya (TTN) in North Minahasa district, both suspended until the construction phase due to resistance from various parties, including local governments, provincial parliaments, NGOs, and community groups. Since the case of environmental pollution in Buyat Bay alleged to PT. NMR, large-scale mining activities in North Sulawesi have been strongly opposed by the government and the public.

Currently, controversy related to operating permit of mining companies PT. MSM and PT. TTN is occur in North Sulawesi because the central government has given permission while the Governor reject those two companies operated in North Sulawesi. The company has considered obtain permission legally from the Ministry of Energy and Mineral Resources (ESDM) in Jakarta, which was issued in 1996 as an extension of the contract of work. The companies have also conducted Environmental Impact Assessment (EIA) in 1998, but they did not conduct the activity until the year 2004 due to the monetary crisis. At the time the company will resume its activities in the year 2005, the company received a warning from the Minister for the Environment who perceive that the company's EIA document had expired. Similar attitudes expressed by the government of North Sulawesi. In addition to questioning the EIA documents have expired, the North Sulawesi government also rejected the tailings disposal plan to the bottom of the sea (Sub-marine Tailings Placement/STP). On the other hand, in this period, the Ministry of Energy and Mineral Resources remain allowing the company operated. In 2006, the EIA document has been updated by the company and deemed appropriate by the Central EIA Commission, but the governor still refused the company to operate, with the reasons are; (a) mining operation rejected by the community; (b) the technology of waste treatment can not guarantee the protection of the environment and community; and (c) incompatible with the provincial spatial plan.

On many occasions, North Sulawesi Governor asserted that in principle the North Sulawesi Government do not reject a mining sector investment, but mining activity has to be really friendly to environment and socio-cultural life of local communities; and has to be done a study carefully involving all relevant stakeholders, because the slightest mistake in the mining development have a fatal consequences to the environment and our children and grandchildren in the future.

The attitude of the North Sulawesi Governor that refuses mining operations continue until today. In the Draft of Local Regulation on Province Spatial Plan, the Governor refused to put Toka Tindung area (previously reserved for PT. MSM and PT. TTN) as a mining site. This attitude is supported by the Parliament of North Sulawesi Province and the NGOs in North Sulawesi. One of the most vociferous NGO who advocating this rejection is the Community Alliance to Refuse Mine Waste (Aliansi Masyarakat Menolak Limbah Tambang/AMMALTA). In addition to advocacy in North Sulawesi, AMMALTA also sent a letter to the members of National Parliament (DPR-RI)²⁷ and an international campaign through its network in the Europe²⁸.

²⁷ See the AMMALTA's letter to the members of National Parliament, on July 14, 2009

²⁸ See http://www.save-lembeh.info/_pdf/Syarat-syarat_AMMALTA_engl.pdf

Governance in North Sulawesi

Based on the measurement of Partnership Governance Index, conducted by Partnership, in general the North Sulawesi Province obtains 5.44, which falls into category "good enough," ranks 11th out of 32 provinces in Indonesia. In North Sulawesi Province nearly all arenas obtain good or fairly good scores; Government (4.03), Bureaucracy (5.86), Civil Society (6.01) and the Economic Society (7.02). The arena of Government needs more serious attention as it obtains the lowest score compared to the other arenas (table 5.3)

Table 5.3. Partnership Governance Index North Sulawesi 2008

	Index of Arena	Participation	Fairness	Accountability	Transparency	Efficiency	Effectiveness
Government	4.03	4.11	1.36	6.57	1.97	4.22	6.29
Bureaucracy	5.86	5.97	8.00	7.14	2.55	4.94	7.51
Civil Society	6.01	7.00	5.85	9.02	2.55	5.87	5.44
Economic Society	7.02	5.50	4.00	10.00	10.00	5.50	5.50

Source : Partnership Governance Index (PGI), 2008

Government performance can be categorized as sufficient because of remaining problems on several aspects. The aspects of transparency and fairness obtain poor and very poor consecutively, 1.97 and 1.36. The aspects of accountability, effectiveness, participation and efficiency remain to obtain fairly good scores. The arena of Bureaucracy obtains far better score than the arena of Government, with a score of 5.86. The score is attained because this arena obtains good and fairly good scores on nearly all principles, fairness (8.00), effectiveness (7.51), accountability (7.14), participation (5.97) and efficiency (4.94). Only the principle of transparency obtains a poor score of 2.55. It seems that Bureaucracy in North Sulawesi Province needs to increase its openness by actively informing the public on development programs and its implementation.

The performance of the Civil Society can be categorized as fairly good (6.01). Similarly to the Bureaucracy, the problem faced by the Civil Society in the province is the lack of transparency (2.55). In the future it appears that Civil Society organizations in North Sulawesi need to be more open to the community in relation with their planned programs and its implementation. The other governance principles can be considered as good, even for accountability principle (9.02) falls into category very good.

The arena of Economic Society in North Sulawesi Province can be categorized as good, with a score of 7.02. The good score obtained by the business sector is contributed by the good scores for the principles of accountability, transparency, participation, efficiency, and effectiveness. The principle of fairness needs more serious attention as the score obtained is the lowest among the other principles. Homeworks for business players in North Sulawesi Province include improvement of the role on Government project tender processes that need to be freed from bribery.

Looking at the results of measuring governance as described above, there are many homeworks to be done by the North Sulawesi Government to improve its performance. Transparency can be strengthened by actively informing the public on the Government plan and policies, in terms of budget as well as the program. The score for the fairness aspect could be increased through more pro-poor development programs.

North Sulawesi government is already showing the sensitivity of the issue of natural resource management and environmental protection, at least related to the mining activities. In the Medium Term of Regional Development Plan (RPJMD) 2005-2010 one of its mission is to create environmentally conscious society and strive for a sustainable environment²⁹. Implementation of the mission can be seen from the rejection of the operation of mining companies, as has been described in the previous section. What remains to be concerned is how many the government allocates the regional budget for natural resource management and environmental protection. Lestari Foundation, an NGO in North Sulawesi, recorded that from a total revenue of 2008 only 0.15% allocated for natural resource management and the environmental protection programs.

For bureaucratic arena, started to show a law enforcement efforts to control illegal logging actors. In December 2008, for example, the government has held an operation to eradicate illegal logging and succeed to capture 26 suspects, including two police officers. Yet, Walhi North Sulawesi see these efforts are not maximized because only a small portion of the illegal loggers were arrested³⁰. In the Final Report of the Evaluation of Three Years Implementation of the Medium Term of National Development Plan (Rencana Pembangunan Jangka Menengah Nasional/RPJMN) 2004-2009 in North Sulawesi Province, clearly stated that there are some issues twisted bureaucracy of North Sulawesi in implementing good and clean governance. These issues include; recruitment systems, career path, promotion and mutation, the clarity of the main tasks and functions, quality of human resources, and orientation of the values.

Perspective of parties on UNREDD Program in North Sulawesi

Several NGOs in North Sulawesi, especially those who a members of WALHI North Sulawesi, is still responding to the initiative UNREDD program carefully because they have not much idea about this initiative. They worry, the UN-REDD, same as some programs that ever existed in North Sulawesi before, only requested their opinion at the time of the assessment but then no longer involved them at the implementation stage. They also need the clarity of the involvement of NGOs in the implementation UNREDD program. If the UN-REDD program is only done by the government and listening NGOs opinion on certain moments only, they are not so sure the UN-REDD programs will run well. Of course NGOs are able to do the monitoring, but involvement in the implementation are also considered important, so they have direct access to the management of the overall program.

²⁹ See Final Report of Evaluation of Three-Years Implementation of the Medium Term of National Development Plan (RPJMN) 2004-2009 in North Sulawesi Province, Cooperation between Ministry of National Development Planning, National Development Planning Agency (Bappenas) and the University of Sam Ratulangi, 2009.

³⁰ See Posko (a local mass media), December 11, 2008

Local government (Bappeda and Forest Service) and the Parliament member is very enthusiastic about the UN-REDD program, because it can be an alternative model of development in North Sulawesi, without relying on programs that are extractive. In 2008, the Government of North Sulawesi has signed an MoU with Global Strategic Carbon to develop a forest conservation program in the carbon trading scheme. Currently they have entered the stage of preparing several documents for the signing of cooperation contracts. There are two more documents to be prepared by the Government of North Sulawesi, which is assisted by the company. Socialization has been done for other agencies within the Provincial Government, but not to the public. Socialization to the community will be made after the cooperation contract was signed. They planned that in the implementation of this collaboration program will not carry out by government agencies but by an institution that formed specifically for this program, called the Council of Sustainable Forest Management. This Council will be chaired by the Governor, while the members come from representatives of related institutions. For day-to-day implementation, will be appointed an executive secretary by Governor Decree (SK). Executive Secretary will be assisted by the professional people. In the early stages, community involvement will be directed to maintain the forest area, and in the future they will be fully involved in the management of this program.

Journalists in North Sulawesi do not have much information about REDD issues. So far they only get information about REDD when they attend in discussion and seminar conducted by university or NGO. Involvement of journalist sporadically in activities organized by NGOs have not succeeded increased media attention to raise environmental issues continuously.

Opportunities:

- High commitment from the provincial government for sustainable environmental management. This is not only shown from the provincial government's rejection of the mining companies, but also from a number of programs that they implemented. In National Movement for Forest and Land Rehabilitation (Gerhan), for example, North Sulawesi had been involved since 2003 to 2007. From the implementation of the program in nine district/city, has planted 35.160 million seedlings in the area of 37,240 ha. In addition, the North Sulawesi government also have some program, among other are; (a) the development of production forest area by planting vacant land with the species of forest plants, such as: sengon, Nyatoh, matoa, Agathis, meranti, linggua and fruit plants; (b) the development of a Community Forestry managed by the people to improve community welfare in particular area by taking into account the principle of sustainability; and (c) implementation of the Forest Area Boundaries to solve land overlapping problems with other sectors.
- The presence of several active NGOs in the activities related to natural resource conservation, environmental preservation and defense of the rights of the communities. such as WALHI North Sulawesi and its members (Yayasan Serat, Kopas, Tri Prasetya, LBH Manado, YDRI, etc.), Yayasan Lestari and AMMALTA. NGOs are active in North Sulawesi have various capacities, including community empowerment, public campaign and policy

advocacy. Although they are highly critical to the government, but still willing to engage in multi-stakeholder forums, such as watershed forums and other forums that are ad-hoc, for example, working group which discusses the preparation of Regional Spatial Plan (RTRW).

- The existence of several international institutions that conduct programs in North Sulawesi, such as: IUCN (in cooperation with local NGOs to implement a program Tomini Bay Sustainable Livelihood Management/SUSCLAM), World Wild for Nature/WWF (conservation program), World Conservation Society/WCS (conservation programs), Oxfam (natural disaster mitigation programs), World Vision International/WVI (children issues), and Rare Conservation (conservation program, still doing assessment). The number of donor or international agencies who work in North Sulawesi were indeed lower than in Gorontalo and Central Sulawesi