

ASSESSMENT OF POLICIES ON NON-TIMBER FOREST PRODUCTS



Country Study: Indonesia

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NON-TIMBER FOREST PRODUCTS
EXCHANGE PROGRAMME – ASIA
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Cover Photo:

River fish hunting by a young punan
adiu using traditional tools
Natasya Muliandari, NTFP-EP Indonesia

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EXECUTIVE SUMMARY

NTFP regulation in Indonesia is fragmented into numerous forestry legislation that compliment but also overlay each other. The forestry regulation and policies have primarily had an impact on NTFP development in relation to access or ownership of forest for NTFP collection, harvest, consumption, utilization, management, local trade and exports.

However, under Jokowi's administration, an overarching paradigm shift has taken place in the forestry sector mainly a) a shift from timber management to integrated forest management or holistic management of landscapes and b) a shift from corporate approach to a more community approach with the main aim to improve equity in land and natural resources. The paradigm shift brought the acceleration of recognition of access and tenurial rights under the social forest and land reform (Tanah Objek Reforma Agraria, TORA) programs. Other regulations that provide access to communities to forest for NTFP harvest and trade includes MOUs that provide traditional zones within protected areas and eco-cultural zonation within forested APLs (areas for other uses). Further, forest partnerships between communities and companies within production forest enables communities to access NTFPs for harvest, utilization and trade and is a tool to address land conflicts. Bilateral MOUs with local Bupatis for conservation and the development of NTFP-based livelihoods for the local communities through low impact economic activities (i.e. NTFP harvesting and processing) has also been established.

Paramount to the sustainable management and conservation of forest and NTFPs for future generations is the Moratorium on the issuance of new concessions within primary natural forest and peatlands in Forest Areas and APLs.

These various legislative instruments provide a conducive environment for NTFP development. However, the emphasis is on expediting the legalization process. Equal attention is needed for forest-based livelihood development, community-based conservation and incentives for ecosystem service initiatives.

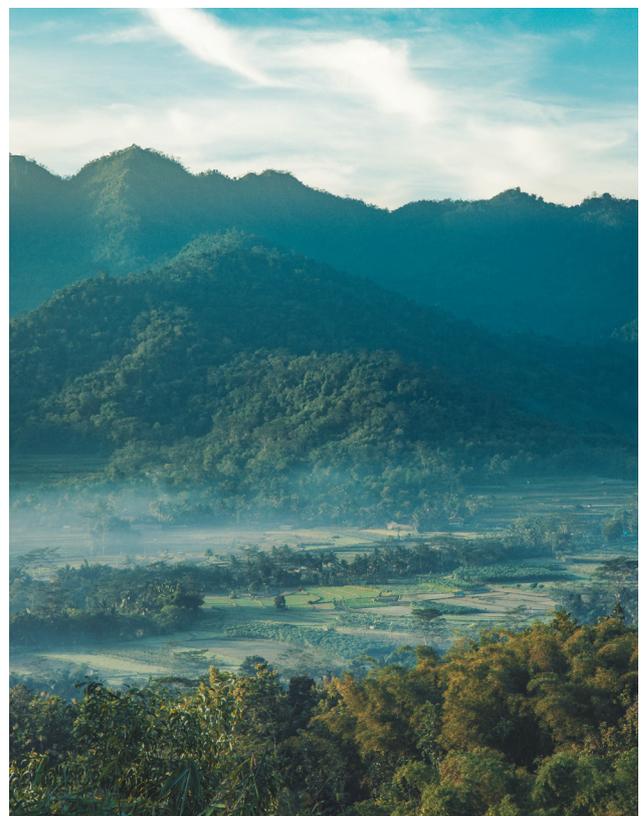
Indigenous communities have long lived and thrived on NTFPs through its traditional knowledge and local wisdom in relation to the forest and natural landscapes. Hence, the **Recognition and Protection of the Rights of Indigenous People (PPHMHA)¹ Bill** that was initiated and submitted to the House of Representatives in 2013 would have a positive impact on NTFP development in Indonesia. The bill

is crucial as it covers two areas important to the recognition and self-determination of the indigenous peoples in Indonesia and subsequently the recognition of their local wisdom and traditional knowledge.

Finally, the available NTFP-specific legislation and policies can be summarized into the following:

- Overview of the development of plans for the management and utilization of forests including NTFPs
- Licensing for the collection of NTFPs in industrial plantation forest (Hutan Tanaman Industri, HTI)
- Business workplans for the utilization of NTFPs within specific NTFP industrial plantation forest (i.e. sagu plantation forest). Hence, this would be relevant for domesticated or cultivated NTFPs.
- Administration of NTFPs of national forest
- National strategy for the development of NTFPs 2009 (Based on strategies and policies from 2010 to 2014)
- Other related regulation and policies that mainly are state financial facilities for the development of the forestry sector including NTFP development or non-tax revenues collected by the state.

Mountain forest in Borobudur
Photo: Sebastian Staines



¹ Rancangan undang-undang Pengakuan dan Perlindungan Hak Masyarakat Hukum Adat

INTRODUCTION

A. Indonesia's Forest

Indonesia is the largest country in South East Asia with 63% of its land mass or 120.6 million² hectares designated as Forest Area (KH, Kawasan Hutan) and the rest designated under land area for other purpose (APL, Area Penggunaan Lain). Under Indonesian law, Forest Areas are under the jurisdiction of the Ministry of Environment and Forestry. Unlike other countries, Forest Areas (KH) in Indonesia can be forested or not covered with forest. Similarly, areas for other purpose or APLs may or may not be under forest cover.

Under **National Forest Law No. 41/1999**, forest is defined as a unified ecosystem in a landscape dominated by tree communities, found in the natural world. Following this law, a decree by the Minister of Forestry of Indonesia, No. 14/2004 defines a forest as land spanning more than 0.25 hectares, with trees higher than five meters at maturity and a canopy cover of more than 30%, or trees able to reach these thresholds in situ.

In reference to these definitions, 94 million hectares or 50%³ of Indonesia's land mass is considered forested or under forest cover comprising of 24.6% of primary forest, 23% of secondary forest and 2.5% of planted forest.

Of the total of land covered in forest, 85.8 million hectares is designated as Forest Area (KH, Kawasan Hutan) and categorized as Conservation Forest (17.3 mha, Hutan Konservasi (HK)), Protected Forest (23.9 mha, Hutan Lindung (HL)), Permanent



Production Forest (17 mha, Hutan Produksi (HP)), Limited Production Forest (21.3 mha, Hutan Produksi Terbatas (HPT)) and Convertible Production Forest (6.3 mha, Hutan Produksi yang Dapat Dikonversi, (HPK)). The rest or 8.1 million hectares of forest is designated as APL or land area for other purposes.

These forests are teeming with life. There are 91,251 species of spore-based plants, 120 species of vascular plants and an estimated 30,000 to 40,000 species of flowering plants of which only about half have been identified. There are also 1,605 recorded birds, 720 mammals, 1,248 freshwater fish, 197,964 invertebrate species among others.



Komodo dragon, a reptile species endemic to Indonesia
Photo: Charles J Sharp



Rafflesia arnoldi, endemic to the rainforests of Sumatra and Borneo
Photo: Rendra Regen Rais

2 This figure is stated within the Ministry of Environment and Forestry's, 'The State of Indonesia's Forest 2018' but slightly defers from the ministry's, 'Statistik Lingkungan Hidup dan Kehutanan, Tahun 2017' (Environmental and Forestry Statistics 2017) which indicates that Indonesia's land mass stands at 187.8 million hectares
3 The figure in the Environmental and Forestry Statistics 2017 states 50.3% of Indonesia's land mass is under forest cover.

B. NTFPs in Indonesia's forest

The abundance of flora and fauna in Indonesia's forest and its numerous rich indigenous and local communities have displayed a diversity of NTFPs that are collected, harvested, consumed, utilized, managed, traded locally and exported. These NTFPs include food, fodder, fuel, medicinal products and material for crafts, buildings and other uses. There is about 575 plant species that are utilized as NTFPs in Indonesia (Mirjam, Ros-Tonen, Wiersum 2003) and 557 NTFPs listed under the forestry regulation on NTFPs.⁴ A snapshot of NTFPs used in varied types of forest can be seen in Table 1.

Table 1: Managed forests in Dayak villages in West Kalimantan (adapted from De Jong, 2002)

FOREST TYPE	DESCRIPTION	MAIN USES	AVE. NO. OF USEFUL SPECIES INVENTORIED	NO. OF USEFUL SPECIES HARVESTED IN 1993
Hutan tutupan	Communally-protected natural forest	Ironwood, rattan, edible leaves, medicinal plants, fruits	202	23
Pulau rimba	Privately-owned mature natural forest islands surrounded by agricultural fields	Rattan, poles, wild fruits, palm heart	234	5-17
Sompuat	Honey tree forest islands	Apiculture	6	—
Tembawang	Mixed forest gardens	Fruits, rubber, bamboo shoots, rattan, leaves (various species) ironwood, firewood	n.a.	n.a.
Bawas	Swidden fallow secondary forests	Various forest products	n.a.	n.a.

Indonesia defines NTFPs as both vegetable and animal forest products along with their derivative and cultivated products except wood that originates from the forest ecosystem.⁵ Plant-based NTFPs have been grouped into resin, essential oils, vegetable fats, tannin, dyes and latex, medicinal and ornamental plants, palm and bamboo, alkaloid and others. Animal-based NTFPs have been categorized into prey or hunted animals, trapped animals and animal by-products (i.e. bird's nest, honey and silk).

As markets and dependence on NTFPs grow locally and globally, so do the users and beneficiaries of NTFPs. NTFPs are used and traded by indigenous and local communities living in and around forest areas and also people that live in urban or in between urban and rural areas that benefit from forestry activities including the trade of NTFPs (i.e. artisans, traders and small and medium enterprises, entrepreneurs and companies).

Table 1 shows the production of NTFPs in Indonesia from 2013-2017 generated by the Ministry of Environment and Forestry. The drop in pole group after 2013 could be caused by the export ban on raw and half-finished rattan. However, there is a rise in its production in 2016 onwards. This is also supported by export data on rattan and other NTFPs in Annex 1.

⁴ Peraturan Menteri Kehutanan Nomor: P.35/ Menhut-II/2007 tentang Hasil Hutan Bukan Kayu

⁵ Ditto

Figure 1: NTFP production in Indonesia from 2013-2017



A look at natural honey indicates that Indonesia is a net importer of natural honey. It imported USD9.4million and only exported USD1.7 million in 2016. However, interestingly since 2015, there has been a 12.53% growth in the export of honey and a decline of 16.51% in its imports. Main import countries are Hong Kong and Singapore.⁶



A nest of *Apis dorsata* (giant honey bee), consisting of a single exposed hanging comb
 Photo: Sean Hoyland

⁶ Source: www.tridge.com. An online trading website which may only provide an indicator of the honey market trend as its trade data is not verifiable. Another paper also supports the information that Indonesia is a nett importer of natural honey, Novi Y (2014) Natural Honey, Embassy of the Argentine Republic Indonesia

ASSESSMENT OF POLICY & REGULATORY ENVIRONMENT ON NON-TIMBER FOREST PRODUCTS (NTFPs)

A. FOREST POLICY AND LEGISLATION

Both national and local forest policies and regulations have a direct or indirect impact on building a conducive environment for NTFP development in Indonesia.

The most significant change in Indonesia's forest sector is the overarching paradigm shift taken by President Jokowi's administration through its Ministry of Environment and Forestry. Mainly, a) a shift from timber management to integrated forest management or holistic management of landscapes and b) a shift from corporate approach to a more community approach with the main aim to improve equity in land and natural resources. The hope is to increase the mere 7% equity of forest areas legally held by communities in 2015 to a 33% stake after 2015.

Apart from supporting and empowering local communities with access and rights to land and resources, the downward trend in the production and export of timber has also contributed to the need to see the wider economic benefits forest can provide including NTFPs, ecosystem services (i.e hydrology and ecotourism) and climate mitigation and adaptation efforts and benefits.

In the National Medium Term Development Plans 2015-2019 (Rancangan Pembangunan Jangka Menengah Nasional, RPJMN), both social forestry (Perhutanan Sosial) and agrarian land reform (TORA, Tanah Objek Reforma Agrarian) were identified as a means to realize a sustainable integrated landscape management and community-centric approach in Indonesia.



River fish hunting by a young punan adiu using traditional tools

Photo: Natasya Muliandari, NTFP-EP Indonesia

1. Social Forestry

There are 25,863 villages with 37.2 million people that are situated in or around Indonesia's Forest Area. The RPJMN has allocated 12.7 million hectares of forest for the social forestry program that have been mapped within the Indicative Map of Social Forestry Areas (Peta Indikatif Areal Perhutanan Sosial, PIAPS) which can be located at <http://sinav.perhutanan-sosial.id/main/piaps>. There are five types of social forestry schemes namely Village Forests (Hutan Desa, HD), Communal Forest (Hutan Kemasyarakatan, HKm), Adat Forest (Hutan Adat, HA), Community Plantation Forest (Hutan Tanaman Rakyat, HTR) and Forest Partnerships (Kemitraan Kehutanan). The legislation to support the formation of these schemes include the Ministerial Regulation concerning Social Forestry, the Ministerial Regulation concerning Social Forestry⁷ in State-owned Forestry Enterprise Areas⁸ and the Ministerial Regulation concerning Rights Forest⁹. As of June 2018, 1.72 million hectares of forest have been designated under the social forestry program.

In addition to PIAPS, other mechanisms to support social forestry programs and potential NTFP development include the following:

- a. Social forestry schemes were some of the recipients of the 7 billion US\$ Peoples's Business Credit (Kredit Usaha Rakyat, KUR) in 2017. KUR is a government financial mechanism to assist MSMEs to obtain business working capital or investment.

7 Peraturan Menteri LHK No. P.83/MENLHK/SETJEN/ KUM.1/10/2016 tentang Perhutanan Sosial

8 Peraturan Menteri LHK No. P.39/MENLHK/SETJEN/ KUM.1/6/2017 tentang Perhutanan Sosial di Wilayah Kerja Perum Perhutani

9 Peraturan Menteri LHK No. P.32/Menlhk-Setjen/2015 tentang Hutan Hak

Legislation includes Coordinating Minister for Economic Affairs Regulation Number 11 of 2017 concerning Guidelines for Implementing People's Business Loans.

- b. The establishment of Working Groups for the Acceleration of Social Forestry (Kelompok Kerja Percepatan Perhutanan Sosial, Pokja PPS) which as it names dictates is to hasten the establishment of social forestry schemes. Pokja PPS will be established in each province. As of 2018, 26 Pokja PPS has been established.
- c. Social Forestry Community Business Groups have also been established to provide grass-roots support to the enterprise development of the social forestry schemes. However, there isn't much information on its progress as yet.
- d. Creative Economy Agency (Badan Ekonomi Kreatif/BEKRAF) is a government agency directly under the President's purview that develops and promotes policies to support the creative industry through funds, trainings, synchronization and collaboration, communications and other aspects.
- e. National Handicraft Council (Dewan Kerajinan Nasional/DEKRANAS) is a national body that provides technical support to weavers and other artisans to ensure that the culture it encompasses and the body of work is sustained and developed.

2. Indonesia's Agrarian Reform Program (Tanah Objek Reforma Agraria – TORA)

The book "Arahan Kantor Staf Presiden: Prioritas Nasional Reforma Agraria dalam Rencana Kerja Pemerintah Tahun 2017" provides the content and guidelines for TORA. TORA grants tenurial rights to agriculture or potential agriculture land. TORA can be especially realized for forest gardens or cultivated NTFPs. The objective of this program is to reduce inequality in the area of land ownership; to create income opportunities for communities in rural areas; to create jobs to reduce poverty; to improve public access to economic resources; to increase food security; to sustain and improve the quality of the environment; and to resolve agrarian conflicts. Beneficiaries of this program includes farming and fishing communities and communities or individuals that have not received any public land.

The Indonesian government has identified 9 million hectares of land for TORA. 4.1 million hectares which is located in Forest Area can be found in the Indicative Map of Forest Areas for the Provision of Land for the Agrarian Reform Program which was sanctioned by the Ministry of Environment and Forestry Decree (Keputusan Menteri LHK No. SK. 180/MENLLHK/

SETJEN/ KUM.1/4/2017 tentang Peta Indikatif Lokasi Kawasan Hutan untuk Penyediaan Sumber Tanah Obyek Reforma Agraria (TORA)).

By the end of 2017, 750,123 hectares of Forest Area land has been released under TORA with more than double the figure earmarked for 2018 and 2019.

3. Traditional zones within Protected Forest (Hutan Lindung)

Local communities living in and around National parks in collaboration with National Park authorities have identified zones within the protected forest where they have traditionally collected NTFPs for generations. An agreement is then jointly developed and signed with the Head of the National Park to enable the communities to continue to sustainably subsist and trade these NTFPs. The community based collection or enterprise collective works closely and is supported by the Protection Forest Management Unit (Kesatuan Pengelolaan Hutan Lindung, KPHL) in the harvesting and utilization of NTFPs.

As of end of 2017, traditional zones partnerships covered 66,000 hectares of forest in 15 national parks in Indonesia. The traditional zone partnerships were established through 41 cooperative agreements signed between community collectives and head of national parks that benefitted 4812 households in 62 villages.

Box A

People local government partnership in support of the development of forest honey in Danau Sentarum National Park, East Kalimantan.

One of the local honey collectors associations in Danau Sentarum National Park, Asosiasi Periau Danau Sentarum (APDS) has signed a collaboration agreement with the Head of the Danau Sentarum National Park to support the traditional livelihood of honey collection and artisan fishing within the traditional terrestrial and water zones which covers 36,579 hectares. The agreement was based on traditional zones already identified within the Decision Letter of the Director General of Forest Protection and Environmental Conservation in 2014.¹⁰ The agreement has included the sharing of resources, skills and people especially the increase of the role local communities in rehabilitating degraded areas through enriching the habitat for bees, sustainably utilizing ntfps mainly forest honey and fishing within the identified traditional zones and expanding sustainable tourism in the national park. The agreement is for five years beginning in 2017 and interestingly also covers intellectual property rights and shared branding.

Prior to the official collaboration between the national park authorities and the honey collectors' association (APDS), support to obtain working capital for the association was underway in May 2016. A problem faced by the association is the acute need of working capital to purchase honey in cash from its members. In collaboration with the national park authorities and with the support of the Indonesian Forest Honey Network (JMHI), they applied for a loan from the Public Service Agency (Badan Layanan Umum, BLU), Center for Forest Development Financing, Ministry of Environment and Forestry (KLHK). After one year of meetings and compliance to loan requirements, the honey collectors' association (APDS) received a loan for about USD100,000 for a period of 2 years with a low interest rate of 3.25% per year. Thereafter, the collaboration with the national park authorities was formalized in an agreement.

¹⁰ Surat Keputusan Direktur Jenderal Perlindungan Hutan dan Konservasi Alam Nomor 230IV-Set/2014

4. Forest partnerships in Industrial Plantation Forest (Hutan Tanaman Industri, HTI)

Conflicts arise between communities adjacent to Industrial Plantation Forest where communities want access to these plantation forest for NTFPs or claim land rights to these forest areas. Steps taken to address these conflicts would include:

- a. Conflict mapping and appropriate conflict resolution plans within the plantation forest¹¹
- b. Twenty percent of the plantation is allocated to communities to plant life support trees¹²
- c. Assist local communities with relevant social forestry schemes (i.e. Forestry Partnerships)
- d. By the end of 2017, 188 MOUs on Forestry Partnerships have been signed benefitting 16,900 people and over 135,720 hectares of industrial plantation forest. In industrial forest plantations (HTI), Production Forest Management Units (Kesatuan Pengelolaan Hutan Produksi) supports local communities within the HTI to collect, harvest and utilize NTFPs.

5. Eco-Cultural Zonation at Regency level (Sintang District)

NTFP-EP Indonesia played a key role with local NGO partners and effected communities to map areas with high eco-cultural value and lobby the

local government (i.e. the Head of Sintang district or Bupati Sintang) to recognize these areas and protect them from palm oil expansion. The areas identified in Sintang are areas that have jerenang and enpait trees used as natural dyes for the cotton threads in the weaving of their traditional cloth or 'pua kumbu'. In 2017, after numerous workshops and discussions, eight zones in four villages covering 184 hectares were recognized as eco-cultural zones through the Head of Sintang District's Decree¹³. These zones need to be conserved through eco-cultural zonation as they are located in forested APLs or other purpose areas that lie outside Forest Areas whereby social forestry schemes could not be applied.

6. Moratorium on new concessions in primary natural forest and peatlands

Through a Presidential Instruction¹⁴ a temporary Moratorium on the issuance of new concessions within primary natural forest and peatlands in Forest Areas and APLs (areas of other uses) have been initiated and extended for 3 consecutive times. The Presidential Instruction was followed by a Decree from the Ministry of Environment and Forestry¹⁵ providing a map indicating these areas in Indonesia which was popularly known as the Moratorium Map. At present, the Moratorium conserves 66.5 million hectares of natural primary forest and peatlands.

B. THE ABSENCE OF A CUSTOMARY LAW FOR THE ADAT OR INDIGENOUS COMMUNITIES IN INDONESIA

Indonesia presently has no indigenous people or customary rights law. However, in 2013, the Recognition and Protection of the Rights of Indigenous People (PPHMHA)¹⁶ Bill was initiated and submitted to the House of Representatives. The bill is crucial as it covers two areas important to the recognition and self-determination of the indigenous peoples in Indonesia and subsequently the recognition of their local wisdom and traditional knowledge. The bill will specify a team that will expedite the rights of indigenous peoples in Indonesia and that they no longer need to be recognized by local government for their rights to be acknowledged in particular rights to land and forest. Since it was initiated, the bill has been on the top priority list of the House of Representatives but has seen no progress since.

Meanwhile, some adat communities have undergone the tedious and difficult process of registering their customary or ancestral land (including customary settlements, agriculture fields, agroforest and forest) under a local government regulation (pemerintah daerah, Pemda). In Indonesia, adat communities first and foremost need to be validated and recognized by local government according to Regulation on the Recognition and

11 Peraturan Dirjen PHPL No. P.5/PHPL/UHP/PHPL.1/2/2016 tentang Pedoman Pemetaan Potensi dan Resolusi Konflik pada Pemegang Izin Usaha Pemanfaatan Hasil Hutan Kayu (IUPHHK) dalam Hutan Produksi.

12 Peraturan Menteri LHK No. P.12/MENLHK-II/2015 tentang Pembangunan Hutan Tanaman Industri.

13 Keputusan Bupati Sintang Nomor 593.3/S13/Kep_Bappeda/2017 tentang penetapan lokasi kawasan eko budaya di Kabupaten Sintang.

14 Presidential Instruction No. 10 of 2011 (Instruksi Presiden Republik Indonesia No. 10 Tahun 2011 tanggal 20 Mei 2011 tentang Penundaan Pemberian Izin Baru dan Penyempurnaan Tata Kelola Hutan Alam Primer dan Lahan Gambut)

15 Keputusan Menteri LHK No. SK.6559/MENLHK-PKTL/IPSDH/PLA.1/12/2017 tanggal 4 Desember 2017 tentang Penetapan Peta Indikatif Penundaan Pemberian Izin Baru Pemanfaatan Hutan, Penggunaan Kawasan Hutan dan Perubahan Peruntukan Kawasan Hutan dan Areal Penggunaan Lain (Revisi XIII). Ministerial Decree No. SK.6559 / MENLHK-PKTL / IPSDH / PLA.1 / 12/2017, dated December 4, 2017

16 Rancangan undang-undang Pengakuan dan Perlindungan Hak Masyarakat Hukum Adat

Protection of Indigenous Communities 2014¹⁷ before applying for their rights to land.

As of April 2019, 1.39 million hectares of customary land have been registered and recognized by either a local government regulation (Pemda) or a decision letter from the Head of the District (Surat Keputusan (SK) Bupati). A further 2.36 million hectares have been verified as customary land but have yet to be recognized. And finally 6.48 million hectares of customary land have been mapped. In total there is 10.24 million hectares of customary land that have been identified in Indonesia.

In 2016, the government released a President's Decree No. 9¹⁸ in relation to the establishment of a

one map policy to especially tackle the overlay of claims from various economic activities and rights of local and indigenous communities causing numerous conflicts. However, as the One Map is finalized in 2018, village boundaries and adat communities customary land were not included. The Ministry of Environment and Forest (KLHK), has acknowledge this and stated that the adat forest measuring 24,378 hectares that have been granted will be include into the One Map Policy. It is quite baffling why the land recognized and acknowledge by local government is not include within the Ministry of Home Affairs One Map Policy.

C. NTFP SPECIFIC POLICY AND LEGISLATION

The available NTFP specific legislation and policies can be summarized into the following:

- a. Overview of the development of plans for the management and utilization of forests including NTFPs.
- b. Licensing for the collection of NTFPs in industrial plantation forest (Hutan Tanaman Industri, HTI)
- c. Business workplans for the utilization of NTFPs within specific NTFP industrial plantation forest i.e. sagu plantation forest. Hence, this would be relevant for domesticated or cultivated NTFPs.
- d. Administration of NTFPs of national forest
- e. National strategy for the development of NTFPs 2009 (Based on strategies and policies from 2010 to 2014)
- f. Other related regulation and policies

Buah kapul
Photo: NTFP-EP
Indonesia



1. Overview of the development of plans for the management and utilization of forests (Peraturan Pemerintah Republik Indonesia Nomor 6 Tahun 2007 tentang Tata Hutan dan Penyusunan Rencana Pengelolaan Hutan, Serta Pemanfaatan Hutan)

This legislation covers timber and non timber forest products but mostly the former within conservation forest (hutan konservasi), protected forest (hutan lindung) and production forest (hutan produksi). A permit is needed in order to utilize NTFPs in these forest. The permit can be sold but cannot be used as a guarantee.

Utilization and collection of NTFPs within a protected forest

Within the protected forest, only the following are allowed :

- a. medicinal plants cultivation;
- b. ornamental plant cultivation;
- c. mushroom cultivation;
- d. beekeeping;
- e. trapping of wildlife;
- f. animal rehabilitation; or
- g. forage cultivation.

¹⁷ Peraturan Menteri Dalam Negeri Nomor 52 Tahun 2014 tentang Pedoman Pengakuan dan Perlindungan Masyarakat Hukum Adat

¹⁸ Peraturan Presiden Republik Indonesia Nomor 9 Tahun 2016 tentang Percepatan Pelaksanaan Kebijakan Satu Peta pada Tingkat Ketelitian Peta Skala 1: 50,000

Further, the utilization of NTFPs need to adhere to the following conditions:

- a. does not reduce, change or eliminate its main function;
- b. land effected is limited;
- c. no adverse or negative effect on biophysics and socio-economy of the area;
- d. the use of mechanical equipment and heavy equipment is not allowed; and/or
- e. not allowed to build facilities and infrastructure that can cause changes to the landscape.

The collection of NTFPs such as rattan, honey, mushrooms, bird's nest, fruits and wild rubber need to abide by the following provisions:

- a. NTFPs collected must be available naturally;
- b. does not damage the environment; and
- c. does not reduce, change, or eliminate its main function

NTFPs in protected forest can only be collected by the local community and they are prohibited from:

- a. collecting NTFPs which exceed the sustainable productivity capability;
- b. collect NTFPs that are protected by law.

Within the protected forest, a second utilization permit for the same area is not allowed. A collection permit for the same area that has been awarded a utilization permit is allowed however for an NTFP other than the one within the utilization permit.

A utilization permit is provided for a period of 10 years with an option to extend on a yearly basis. The utilization permit is for an area no larger than 50 hectares and only two permits are awarded to each individual or establishment.

A collection permit is provided for a period of a year except for bird's nest whereby the collection permit is for a period no longer than five years. The option to extend is for an additional six months and for bird's nest an extension of one year.

Utilization and collection of NTFPs within a production forest

Utilization and collection of NTFPs are conducted in both the natural forest and planted forest within the production forest. The utilization of NTFPs within a production forest include the following:

- a. medicinal plants cultivation;
- b. ornamental plant cultivation;
- c. mushroom cultivation;
- d. beekeeping;
- e. animal breeding; and
- f. cultivation of wild birds

However the utilization of the forest is not limited to abovementioned activities provided the following conditions are followed:

- a. Land cultivated is limited;
- b. No adverse or negative effect on biophysics and socio-economy of the area;
- c. The use of mechanical equipment and heavy equipment is not allowed; and / or
- d. not allowed to build facilities and infrastructure that can cause changes to the landscape.

Other activities in both natural and planted forest are the planting, harvesting, enrichment, maintenance, safety procedures, and marketing of rattan, sago, nipah, bamboo, sap, bark, leaves, fruit or seeds and agarwood.

The collection of NTFPs in both natural and planted forest within the production forest needs to benefit the local communities and can be traded. The collection of each NTFP cannot exceed 20 tonnes per household and the species collected must adhere to the laws in place in relation to CITES-listed species. Further, within planted forest, cultivated NTFPs not exceeding 20 tonnes per household can be harvested by the local communities.

General

In both protected and production forest, the permit holder needs to develop a workplan for the area based on the management plan developed by the Forest Management Units (Kesatuan Pengelolaan Hutan, KPH). Activities must commence six months after the permit has been approved for the utilization of NTFPs and 1 month for the collection of NTFPs.

A workplan for the utilization of NTFPs including a yearly plan needs to be submitted to the governor, district officer or mayor no later than one year from the date of approval of the permit. The yearly plan can be submitted two months before work commenced with the approval of the head of the KPH or an officer appointed by the governor, district officer or mayor.

Primary industry for forest products

Primary forest products within this legislation include timber and NTFPs. Within planted forest, industrial registration for NTFPs can be provided to individuals or cooperatives. Small-scale NTFP primary industry needs an industrial registration in order to obtain an industrial business permit. Both large and medium scale NTFP primary industry needs an industrial permit and an expansion permit to establish or expand its operations. All scales of NTFP industry will undergo a three-year evaluation according to set guidelines.

2. Permits for the collection of NTFPs in industrial plantation forest (Peraturan Menteri Kehutanan Republik Indonesia Nomor: P. 46/Menhu-II/2009 tentang Tata Cara Pemberian Izin Pemungutan Hasil Hutan Kayu atau Hasil Hutan Bukan Kayu pada Hutan Produksi)

The permit for the collection of NTFPs (IPHHBK) is based on the Indonesian Government's Regulation No. 6 2007 in (i) above and covers the collection of NTFPs. Locations within the production forest i.e. natural forest (hutan alam, IPHHBK-HA), planted forest (hutan tanaman, IPHHBK-HT) and rehabilitation planted forest (hutan tanaman hasil rehabilitasi, IPHHBK-HTHR) where NTFPs can be collected with the following conditions or areas:

- a. Production forest that has not been released as concessions
- b. The written permission of concession holders is needed for production forest that have concessions
- c. Rehabilitation planted forest
- d. For (b) above would include protected forest and production forest with special purpose within the concession

All permit application is submitted to the head of the district or town (Bupati/Walikota). The permit holders are responsible to:

- a. Protect the forest from any destruction caused by illegal logging, encroachment, livestock and fires
- b. Pay taxes according to the stipulated laws
- c. Prohibited from cutting down trees that are protected

In a further regulation¹⁹, the permit for rehabilitation of planted forest was extended to include natural forest or rehabilitation forest within the protected forest block (IPHHBK – Lindung). With the IPHHBK – Lindung and IPHHBK–HA or Alam, in natural forest, each household can collect and trade a maximum of 20 tonnes of NTFPs for a period of 1 year based on a bi annual evaluation. However, with IPHHBK – Lindung specifically for the collection of bird's nest is for a period of five years based on yearly evaluations. The IPHHBK–HT or Tanaman in planted forest enables each household to collect and trade a maximum of 20 tonnes of NTFPs for a period of two years with bi-annual evaluations.

The regulation specifies the documents and process needed to apply and extend the NTFP collection permit. According to the regulation, both the application and extension process takes an estimated 11 days respectively.

3. Business workplans for the utilization of NTFPs within specific NTFP industrial plantation forest i.e. sagu plantation forest (Peraturan Menteri Kehutanan Republik Indonesia Nomor: P.29/Menhut-II/2010 tentang Rencana Kerja Usaha Pemanfaatan hasil Hutan Bukan Kayu dalam Hutan Tanaman Industri Sagu)

The regulation is referring to the cultivation and harvesting of natural or artificial regeneration of sagu by seedlings or seeds within a sagu plantation forest. A permit (IUPHHBK-HTI Sagu) is needed to utilize sagu. A 10-year proposal is required for the relevant work area and needs to be submitted no later than one year after the permit has been granted. The proposal is based on the:

- a. Indicative map of the work area accordance with the Sagu IUPHHBK–HTI Decree;
- b. Map designating Forest Areas and Provincial Waters or Provincial Spacial Planning map or TGHK map for provinces that do not have the map designating Forest Areas and Provincial Waters
- c. The results of a forest inventory using a methodical approach through the systematic sampling with random start method with an intensity of 1% and is implemented according to the respective provisions
- d. The proposal is submitted to the District Officer, Mayor or Governor for approval and would take approximately 30 days.

4. Administration of NTFPs in national forest (Peraturan Menteri Kehutanan Republik Indonesia Nomor: P.91/Menhut-II/2014 tentang Penatausahaan Hasil Hutan Bukan Kayu yang Berasal dari Hutan Negara)

The administration of NTFPs is to ensure the proper management, development and sales of NTFPs to monitor the state's rights and claims (tax and non-tax revenue) on forest resources and to safeguard the sustainability of the forest. All permit holders that intend to utilize NTFPs are govern by the administration regulation that cover the recording, documentation and reporting of NTFPs that have been harvested or collected, produced, measured or tested and transported. The steps are as follows:

- a. Measurement and testing of NTFPs collected
- b. Collection and measurements are recorded each time and then compiled within a report (Laporan Produksi Hasil Hutan Bukan Kayu (LP–HHBK)) or a summary report (Rekapitulasi LP–HHBK). The reports need to be written by a competent individual who is the permit

¹⁹ Regulation No 54 for the Approval and Extension Guideline for timber and NTFPs in state forest. (Peraturan Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia Nomor P.54/MenLHK/Setjen/Kum. 1/6/2016 tentang Tata Cara Pemberian dan Perpanjangan Izin Pemungutan Hasil Hutan Kayu atau Hasil Hutan Bukan Kayu Pad Hutan Negara)

holder, hired or from the relevant state agencies. In the case, whereby the permit holder collects from a group of community members with respective permits, he/she needs to prepare the mentioned report.

- c. The reports then need to be verified by the correct individual. This can be a tedious process depending on the availability of the right local government personnel.
- d. Two documents i.e. Faktu Angkutan Hasil Hutan Bukan Kayu that is issued by the District Office and Nota Angkutan prepared by the permit holder is required before NTFPs can be transported. These documents are only applicable for unprocessed NTFPs.
- e. NTFPs that have been processed require a Nota Perusahaan for transport which is also used as a basis to export these products.
- f. Finally, both the producer and the permit holder for the collection of NTFPs have to prepare a Laporan Mutasi HHBK (NTFPs). There is no further elaboration on this report.

5. National strategy for the development of NTFPs 2009 (Peraturan Menteri Kehutanan Republik Indonesia Nomor: P.19/Menhut-II/2009 tentang Strategi Pengembangan hasil Hutan Bukan Kayu Nasional)

The main aims of the national strategy for the development of NTFPs are to:

- a. Explore local potential to develop NTFPs as an alternative source of food, medicine, fiber, latex and other uses for the benefit of local communities;
- b. Support national policies in the development of NTFP production; and
- c. Serve as a guideline for NTFP development from planning to post harvest for entrepreneurs and community members.

The legislation basically outlines the intervention opportunities available or possible in Indonesia, a table with the profile of some key NTFPs, the thought framework of the NTFP strategy which includes the steps to manage its utilization, proposed program to develop NTFPs which includes a point on the development of incentivized policies and regulation and the NTFP development strategy which includes key NTFPs, stakeholders and the NTFP tier and cluster approach. The NTFP cluster approach is the development of NTFPs through various NTFP-specific clusters (i.e honey clusters). NTFP clusters consist of entrepreneur or community networks that manage and govern the value and supply chain. The legislation also in brief outlines the cooperation needed

among stakeholders (i.e. community groups or Village Enterprise (BUMDes)), investors, companies, research and development institutes and relevant government agencies to successfully develop NTFPs.

The national strategy policy is supported by regulation providing criteria and indicators identifying the type of key NTFPs²⁰. Indicators are developed for each of the criteria namely economy, biophysics and environment, institutional, social and technology and are weighted to determine the priority NTFP. Further, key or priority NTFPs need to be determined at the national, provincial and district level as indicated within this regulation.

6. Other NTFP, social forestry related regulation and policies

Public Service Agency, Centre for Forest Development Financing, Ministry of Environment and Forestry (Badan Layanan Umum Pusat Pembiayaan Pembangunan Hutan (BLU Pusat P2H), Kementerian Lingkungan Hidup dan Kehutanan (KLHK))

The BLU Pusat P2H was confirmed by Ministerial Decision of the Finance Ministry No 105 2010²¹. It is a non-profit establishment committed mainly to manage the rotating fund facility (Fasilitas Dana Bergulir, FDB) to support financially forestry activities and environmental investments. The FDB can be used by local communities to support NTFP development, forestry activities and ecosystem restoration within social forestry programs. The FDB offers three schemes namely 1) loans, 2) profit sharing and 3) Syariah scheme whereby applicants would need to submit a proposal for the activities that need support. The communities can only apply after they have received their Decision Letters for the Social Forestry Scheme (Surat Keputusan Perhutanan Sosial). In 2017, the BLU released about USD13.8 million in loans and other facilities.

Village Fund (Dana desa)

Village fund developed by Jokowi's administration has allocated and spent about USD13 billion in four years since 2015 to develop mainly the infrastructural needs of villages but also includes the development of 8,900 village markets. However, in 2019, Jokowi's administration is shifting their focus from infrastructure development to the expansion of village economies. In 2019's budget, he has earmarked USD12.42 billion for the Village fund to support the growth of village economies.

20 Peraturan Menteri Kehutanan Republik Indonesia Nomor: P.21/Menhut-II/2009 tentang Kriteria dan Indikator Penetapan Jenis Hasil Hutan Bukan Kayu Unggulan
21 Keputusan Menteri Keuangan Republik Indonesia No. 105.KMK/05.2010

Local wisdom and traditional knowledge²²

The regulation on local wisdom and traditional knowledge mainly is to provide legal protection for the indigenous practitioners and facilitate fair access and implement environmentally sustainable practices. It is also to provide recognition to these indigenous practitioners so that they obtain a fair and equitable share in the profits obtained from the local wisdom and traditional knowledge.

Local wisdom and traditional knowledge of NTFPs, forest and riverine landscapes and habitats of flora and fauna are often invaluable and seldom provided with legal recognition, protection and benefits.

Non-tax revenues regulation²³

The collection of non tax revenues (Penerimaan Negara Bukan Pajak – PNBP) for the forestry sector that have an impact on NTFPs and forest services include the Forest Resource Royalty (Provisi Sumber Daya Hutan – PSDH), Forest Product Utilization Business License Fee (Iuran Izin Usaha Pemanfaatan

hasi Hutan – IUPHH) and the Environmental Services Utilization Business License Fee (Iuran Izin Usaha Pemanfaatan Jasa Lingkungan – IUPJL). PNBP effects almost all permit holders including for subsistence use with some conditional exceptions for local communities in Adat Forest.

Other forms of non-tax revenue from the forestry sector are the Reforestation Fund (Dana Reboisasi), the Forest Exploitation violation fines (Denda Pelanggaran Eksploitasi Hutan) and Stumpage Compensation (Ganti Rugi Nilai Tegakan – GNRT).

Export ban on NTFPs²⁴

The export ban on specific NTFPs is triggered by the need to increase local competition and to sustain local supply of products or resource, manage the exploitation of natural resource and adhering to international conventions on health, safety, peace, biodiversity and intellectual property rights. However, the ban on the export of rattan saga and illipe plants and nuts will affect both the use, management and trade of these NTFPs. The impact has yet to be thoroughly assessed.



Aerial view of forest in Bandung

Photo: Rifqi Ali Ridho

22 Peraturan Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia Nomor P.34/MENLHK/SETJEN/KUM.1/5/2017 tentang Pengakuan dan Perlindungan Kearifan Lokal dalam Pengelolaan Sumber Daya Alam dan Lingkungan Hidup

23 Peraturan Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia Nomor P.71/MenLHK/Setjen/HPL.3/8/2016 tentang Tata Cara Pengenaan, Pemungutan dan Penyetoran Provisi Sumber Daya Hutan, Dana Reboisasi, Ganti Rugi Tegakan, Denda Pelanggaran Eksploitasi Hutan dan Iuran Izin Usaha Pemanfaatan Hutan

24 Peraturan Menteri Perdagangan Republik Indonesia Nomor 44/M-DAG/PER/7/2012 tentang Barang Dilarang Ekspor

RECOMMENDATIONS

The following recommendations hopes to provide potential actions and areas of improvement in relation to the policies and regulations that have a direct or indirect impact on NTFP development in Indonesia:

1. Communities need to be supported to apply for social forestry schemes. However, the legalization of the schemes alone is insufficient. Support on forest based livelihood development, community based conservation and incentives for ecosystem service initiatives needs to be develop with the communities.
2. Social forestry schemes are leasehold. It is expected that the social forestry scheme is a stepping stone to forest ownership and management or co-management by local and indigenous communities.
3. Cultivated NTFPs through NTFP forest plantation or agroforestry could be enhanced especially in light of TORA.
4. A return to a single NTFP Directorate that is able to align the numerous fragmented policies and legislation on NTFPs to serve local communities and small and medium enterprises in developing and processing NTFPs is needed.
5. With reference to (3) above, a review of current policies and regulation on NTFPs is needed to assist not only in streamlining these fragmented subjects but also to simplify the requirements esp technical requirements (i.e. conducting NTFP inventory or inventory mapping or documentational requirements).
6. The government agencies involved in processing NTFP permits, licensing and verifying reports need to be simplified and reduced.
7. The Recognition and Protection of the Rights of Indigenous People (PPHMHA) Bill needs to be lobbied and supported.
8. In the meantime, the customary land legally acknowledged by local government and customary land that have been verified need to be included in Indonesia's One Map Policy.
9. The Moratorium on the issuance of new concessions within primary natural forest and peatlands in Forest Areas and APLs need to be affirmed and supported.
10. A review and revision of the national strategy for NTFP development needs to be undertaken. The strategy needs to be simple and effective with less bureaucracy.
11. Trade or value chain data and studies on key NTFPs in Indonesia need to be conducted and utilized in advocacy efforts. An assessment or studies on the ban on certain NTFPs i.e raw or semi processed rattan and illipe seedlings and nuts needs to be conducted or compiled.
12. Research and development on NTFP species (i.e the potential of an annually yielding illipe) and new NTFP finished products need to be explored and initiated.
13. Education and communication tools on the available financial facilities (i.e. Village fund, People's Business Credit (KUR), Public Service Agency, Centre for Forest Development Financing (BLU Pusat P2H)) and other available financial support and the measures of acquiring the loans or grants need to be developed and disseminated to NTFP community-based enterprises and SMEs.

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ANNEX 1

Growth of non-oil and gas export (sectoral) from 2013–2018 by Ministry of Trade, Indonesia

(Value: Million US\$)

SECTOR	2013	2014	2015	2016	2017	TREND(%) 2013-2017	CHANGE(%) 2017/2016	SHARE(%) 2017	2017	2018	CHANGE(%) 2018/2017	SHARE(%) 2018
AGRICULTURE	5,713.00	5,770.60	5,631.20	5,465.80	5,880.20	0.03	7.58	3.84	5,880.20	5,686.30	-3.3	3.49
03 FISH	2,389.80	2,620.20	2,167.00	2,430.70	2,757.10	2.1	13.4	1.8	2,757.10	2,714.90	-1.5	1.7
09 COFFEE, TEA AND SPICES	1,852.90	1,715.60	2,064.90	1,779.20	1,826.80	0.1	2.7	1.2	1,826.80	1,423.90	-22.1	0.9
08 FRUIT AND NUTS	186.5	302.1	368.6	324.1	362.3	15	11.8	0.2	362.3	379.5	4.8	0.2
12 SEEDS AND GRAINS	228.6	327.1	224.3	257.4	224.5	-2.7	-12.8	0.1	224.5	301.2	34.1	0.2
14 VEGETABLE PLAITING MATERIAL (BAMBOO, RATTAN, ETC.)	37.6	54.9	93	104.8	144.2	39.6	37.6	0.1	144.2	161.6	12.1	0.1
07 EDIBLE VEGETABLES	77.1	93.3	124.5	86.3	101.4	4.8	17.4	0.1	101.4	101.8	0.5	0.1
38 MISCELLANEOUS CHEMICAL PRODUCTS	105.5	107.5	114.5	100.5	96.6	-2.4	-3.9	0.1	96.6	98.1	1.5	0.1
13 VEGETABLE SAPS AND EXTRACTS	73.6	75.8	75.8	74.4	84.7	2.7	13.9	0.1	84.7	127.7	50.7	0.1
01 LIVE ANIMALS	77	69.6	59.1	57.3	64	-5.5	11.6	0	64	61	-4.7	0
18 COCOA AND COCOA PREPARATIONS	449.9	200.7	118.3	86.3	56.2	-39.4	-34.9	0	56.2	74.3	32.1	0
24 TOBACCO AND SUBSTITUTES	97.1	83.2	59.1	50	55.9	-14.9	11.9	0	55.9	67.8	21.3	0
71 PEARLS, PRECIOUS STONES AND METALS, AND IMITATION JEWELLERY	25.8	28.7	31.2	45.3	46.6	17.8	2.8	0	46.6	47.3	1.5	0
05 NON-EDIBLE ANIMAL PARTS	17.9	18.8	17.2	16.4	21.3	2.2	29.5	0	21.3	19.9	-6.7	0
06 VEGETABLE PRODUCTS	19.6	21.6	30.4	20.9	17.6	-2.4	-15.5	0	17.6	18.6	5.3	0
40 RUBBER AND RUBBER ARTICLES	13.1	11.7	10.7	10.9	12.8	-1	17.2	0	12.8	9.6	-25.1	0
04 DAIRY PRODUCTS	2.3	1.3	0.7	2.3	4	18.2	73.8	0	4	1.7	-58	0
52 COTTON	2.3	2	4.1	2	2.1	-2.2	4.3	0	2.1	1.8	-12.4	0
10 CEREALS	10.8	13.4	56.5	11.6	1.1	-37.6	-90.5	0	1.1	73.5	6,597.20	0
11 FLOUR	0	0	0	0	0	—	—	0	0	0	—	0
15 FATS, OILS AND WAXES	43.6	22.5	10.7	4.6	0.4	-67.2	-91.9	0	0.4	1.6	333.4	0
29 ORGANIC CHEMICAL	0	0	0	0	0	—	—	0	0	0	—	0
44 WOOD	1.9	0.5	0.6	0.6	0.5	-22.7	-10.6	0	0.5	0.5	-3.2	0
50 SILK	0	0	0	0	0	—	-100	0	0	0	—	0
51 WOOL, ANIMAL HAIR AND WOVEN FABRIC	0.2	0	0	0	0	-63.1	-67.8	0	0	0	-24.4	0
	113,029.70	117,329.60	106,667.60	108,373.30	122,838.80	0.87	13.35	80.24	122,838.80	127,762.10	4.01	78.47

ANNEX 2

Assessment of the policies and regulations on NTFPs in Indonesia (through SWOT)

CRITERIA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	GAPS & THREATS
<p>1. Community access to NTFPs for harvest, utilisation, production and management</p>	<p>b. Communities have access to forest & the collection and trade of NTFPs within the social forestry schemes, guided by stipulated conditions.</p> <p>c. Ministerial Regulation concerning Rights Forest grants ownership of 'Adat' forest to indigenous or customary communities in Indonesia.</p> <p>d. Land reform laws (TORA) enables the application of ownership rights that allows the cultivation of crops including NTFPs.</p> <p>e. Other regulations that provide access to communities to forest for NTFP harvest and trade includes MOUs that provide traditional zones within protected areas and eco cultural zonation within forested APLs</p> <p>f. Further, forest partnerships between communities and companies within production forest enables communities to access NTFPs for harvest, utilization and trade and is a tool to address land conflicts.</p> <p>g. Bilateral MOUs with local Bupatis for conservation and the development of livelihoods for the local communities through low impact economic activities i.e. NTFP harvesting and processing has also been established i.e. MOU between local government of Kayong Utara and NTFP EP Indonesia and Yayasan Palung.</p>	<p>a. The general rule is still state ownership of all forests and by products which includes NTFPs "that forest is a gift from the Almighty to the people of Indonesia that are riches governed by the State ... (Forestry law, no 41)"</p> <p>b. As a whole, state wide regulations provide access to forest for indigenous and local communities. However, problems arise in the regulations governing the utilization and management of forest types and NTFPs.</p> <p>c. A permit is needed for the collection and harvest of NTFPs and the utilization of ecosystem services.</p> <p>d. Collection of NTFPs are limited and need to follow certain conditions ie type of NTFP that is allowed for collection (not on CITIES list) and amount approved for collection.</p> <p>e. Under Jokowi's administration, the Ministry of Environment and Forestry have been combined. Prior to this, there was an NTFP Directorate addressed processed and unprocessed NTFPs. After the ministries were joined application for permits and other legalities pertaining to NTFPs need to follow the type of forest scheme/ program whether under social forestry natural forest or production forest.</p>	<p>a. The state has earmarked 12.7 million has of forest land for social forestry. Since June, 2018 1.72 million hectares of forest have been designated under social forestry programme.</p> <p>b. Moratorium on the issuance of concessions within primary and peat forest will provide future generations the ability to continue to propagate, conserve and live off the forest.</p> <p>c. The establishment of working groups for the Acceleration of Social Forestry (Pokja PPS) will assist in accelerating the access of communities to forest and NTFPs.</p> <p>d. A workplan for the collection and utilization of NTFPs needs to be developed after permit approval based on the management plan developed by the Forest Management Units (KPH) which aims at ensuring sustainable collection and utilization of NTFPs which is informed by reliable data and meets local economic needs. However, often the development and application of this workplan needs further assistance especially for local communities or community based enterprises.</p>	<p>a. Much of the social forestry schemes esp for Hutan Desa (Village forest) are designated on protected forest (PA). The laws for utilization and harvesting of NTFPs are stringent within PAs i.e. no use of machinery and building roads or any other infrastructure.</p> <p>b. In view of (a) above, there is transference of the role of conservation from state to local communities seemingly without the economic incentives. Further, without continued support to see the value in conservation and find an actual economic incentive, the social forestry scheme may prove unsustainable.</p> <p>c. The social forestry scheme with the exception of Hutan Adat is leasehold of state forest rather than ownership of land by local communities.</p> <p>d. Although TORA enables the cultivation of NTFPs, TORA will also convert 4.1 million hectares of Forest Area.</p>

CRITERIA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	GAPS & THREATS
<p>1. Community access to NTFPs for harvest, utilisation, production and management (Continued)</p>	<p>g. NTFP specific regulations provide basic safeguards to ensure the sustainability of NTFPs.</p> <p>h. Legal access or ownership of forest areas has decreased land conflicts between local communities and government or companies.</p>	<p>f. Further when there is added value to the ntfp i.e. semi or finished product, the administration of NTFPs would fall under either or both the Ministry of Industry and the Ministry of Trade, further complicating matters.</p> <p>g. Finally, the collection, measurement or testing, production and transport of NTFPs are administered by law requiring reports that also need to be verified.</p> <p>h. Burocracy in (e) - (g) above and additional requirements from taxation laws and non tax revenue regulation for NTFPs often prove too tedious, time consuming and costly for local communities or community based enterprises.</p>	<p>e. The national strategy of the development of ntfps in 2009 is a good starting point to assist in the planning and post harvest development of ntfps. However, it needs to be reviewed and revised accordingly.</p> <p>f. The Registration Body for Customary land (Badan Registrasi Wilayah Adat, BRWA) has mapped out 6.2 million has of potential Hutan Adat.</p>	<p>e. The recognition of indigenous communities as indigenous that is translated into local regulation is the first step to obtaining recognition of their rights on Hutan Adat and other ancestral lands among others. There is some good moves esp in the development of the Hutan Adat map but more resources and political will is needed to accelerate the recognition adat communities and their customary rights.</p> <p>f. The Ministry of Environment and Forestry is focused on the legalization of the social forestry scheme but equal attention is needed to support local communities to sustainably manage, use and conserve the forest including determining a sustainable forest based livelihood.</p> <p>g. Forest in Other Purpose Areas (APLs) particularly for NTFP collection and utilization need to be legalized or formalized i.e. eco cultural zones or traditional zones.</p> <p>h. Permits for the collection and utilization of NTFPs can be sold creating room for rent seekers and corrupt practices.</p>

CRITERIA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	GAPS & THREATS
2. NTFP value addition, transport and trade	<p>a. A small scale NTFP production needs only a registered sign board for the NTFP business to obtain the industrial business permit.</p> <p>b. The permit can be provided to both individuals and cooperatives.</p> <p>c. The national strategy for the development of NTFPs provides a guideline for NTFP development from planning to post harvest. It provides a strategy that could be adopted within each province to district. Firstly identifying key NTFPs for development and then assessing and acting. Areas include markets (local and international), policies, leadership, human capacity and financial support. A few approaches include the cluster and tier approach.</p> <p>d. The national strategy based its identification of key NTFPs from the legislation on criteria and indicators to identify key NTFPs.</p> <p>e. The national strategy also is based on the NTFP definition and the 9 NTFP categorization under the regulation on NTFPs.</p>	<p>a. An industrial business permit is needed for medium and large scale NTFP production.</p> <p>b. Unlike the time of the existence of a single NTFP Directorate, permits and other legalities pertaining to processed NTFPs have to be obtained from the Ministry of Industry and the Ministry of Trade.</p> <p>c. The measurement and testing of NTFPs collected, followed by the transport of NTFPs to its production destination requires reports that need to be verified by a competent, government officer.</p> <p>c. The transport of processed NTFPs need additional documents i.e. Nota Perusahaan. This is also used for export.</p>	<p>a. The national ban on the export of certain raw NTFPs i.e. rattan or illipe may have provided the resources and impetus needed to develop the local industry. However, there has been no thorough study conducted on its impact.</p> <p>b. Social Forestry Community Business Groups have been established to provide grassroots support to the enterprise development of the social forestry schemes.</p> <p>c. Creative Economy Agency (Badan Ekonomi Kreatif/ BEKRAF) provide funds, trainings, synchronization and collaboration, communications and other aspects for the development of the creative economy including crafts from NTFPs.</p> <p>d. The National Handicraft Council (Dewan Kerajinan Nasional/ DEKRANAS) also provides technical support to local artisans, many who depend on NTFPs.</p> <p>e. As there are NTFPs that have yet to be registered with the National Agency of Food and Drug Control (BPOM), community friendly or based enterprises could influence the norm, standards, procedures and criteria required by BPOM that is suitable to the needs and capabilities of local communities.</p>	<p>a. Trade of processed NTFPs require registration at the National Agency of Food and Drug Control (Badan Pengawasan Obat dan Makanan, BPOM) that is difficult and tedious as there needs to be a baseline to determine the norm, standards, procedures and criteria for the said NTFP before and during circulation. BPOM reports to the President's office.</p> <p>b. The national strategy on the development of NTFPs has identified that there are some medium NTFP industries but most NTFP trade is conducted at a small scale, village level or informally.</p> <p>c. In contrast to wood, palm oil and other commodities, there is little innovation or investment into the development of new NTFP products (Ref Statistik Lingkungan Hidup dan Kehutanan 2017)</p>

CRITERIA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	GAPS & THREATS
3. Recognition and protection of indigenous knowledge, systems and practices on NTFP use and management (Continued)	<p>a. In Article 18B (2) of the Constitution, indicates that the state recognizes and respects adat law communities' society (Kesatuan masyarakat hukum adat) along with their traditional customary rights, as long as these remain in existence and are in accordance with societal development and the principle of Indonesia, and shall be regulated by law.</p> <p>b. Within the constitution, the cultural identity and rights of adat communities are respected in accordance with current developments in society.</p> <p>c. Indonesia has a law acknowledging and protecting Local Wisdom to Manage their Natural Resources and Environment.</p> <p>d. This law provides legal recognition to indigenous practitioners and their practice specifically ensuring equitable profit sharing of any gains from local wisdom. It also ensures that these practices are sustainable for the environment.</p> <p>e. The Rights Forest regulation also recognizes indigenous traditional knowledge and practices on natural resources by;</p> <ul style="list-style-type: none"> • Legalizing ownership of Adat Forest for indigenous communities • Officially recognizing and protecting local wisdom, However, there are issues and no clear guideline in relation to implementation of this recognition. 	<p>a. There are four definitions of adat communities in four different but related key regulations namely 2009 Environment Protection and Management Law¹, 1999 Forestry Law², 2014 Plantation Law³ and 2014 Village Law⁴</p> <p>b. The One Map Policy initiated through Pepses Nomor 6 2016, does not include customary land but only the 24,378 has of adat forest approved by the Ministry of Environment and Forestry. Although 1.39 million hectares of customary land have been officially recognized by local government</p> <p>c. There is no description in policies on indigenous knowledge, systems and practice and in relation to NTFP use and management</p> <p>d. Despite the recognition and protection afforded by law, there is no monitoring of implementation and an accessible feedback mechanism for adat communities.</p>	<p>a. The Recognition and Protection of the Rights of IP Bill has been initiated since 2013 and has been in the top priority list of the House of Representatives but there has been little progress since.</p> <p>b. As of April 2019, 1.39 million hectares of customary land have been registered and recognized with either a local government regulation (Pemda) or a decision letter from the Head of the District (Surat Keputusan (SK) Bupati).</p> <p>c. A further 2.36 million hectares have been verified as customary land but have yet to be officially acknowledged.</p> <p>d. And finally 6.48 million hectares of customary land have been mapped. In total there is 10.24 million hectares of customary land that have been identified in Indonesia.</p> <p>e. In order to accelerate the recognition of indigenous peoples and indigenous territories by local government, the Ministry of Home Affairs issued Permendagri No.52/2014 on Recognition of Customary Law Communities.⁵</p>	<p>a. No specifically designated law on recognizing and protecting the rights of adat communities in Indonesia.</p> <p>b. Adat communities in Indonesia need to validate themselves as indigenous through their history, cultural practices and way of life with official recognition through local regulation. Hence the law does not provide them with rights to self determination.</p>

1 Undang-undang Nomor 32 Tahun 2009 tentang Perlindungan dan Pengelolaan Lingkungan Hidup

2 Undang-undang Nomor 41 Tahun 1999 tentang Perhutanan

3 Undang-Undang Nomor 39 Tahun 2014 tentang Perkebunan

4 Undang-undang Nomor 6 Tahun 2014 tentang Desa

5 Peraturan Menteri Dalam Negeri Republik Indonesia Peraturan Menteri Dalam Negeri Nomor 52 Tahun 2014, tentang Pedoman Pengakuan dan Perlindungan Masyarakat Hukum Adat

CRITERIA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	GAPS & THREATS
<p>3. Recognition and protection of indigenous knowledge, systems and practices on NTFP use and management</p>	<ul style="list-style-type: none"> • Asserting that state agencies should provide mapping assistance of the Adat Forest when communities are unable to do so • Asserting that state agencies need to initiate the legalization of Adat Forest when communities fail to do so • Provide compensation or incentives when indigenous communities do not agree with the official gazettement status of the Adat Forest. However, no framework is provided on the determination of the compensation • Support to enable local communities to protect local wisdom through the management and conservation of natural resources • Affirm support and resources i.e. capital/technological backstopping/marketing and community based enterprise development of ntfps based on local wisdom are provided by relevant state agencies. 		<p>f. NTFP-EP Indonesia is presently developing local and traditional harvest protocols for ntfps including rattan, forest honey, sagu, illipe (tengkawang), palm sugar and coffee that could contribute to the policy and regulation on local wisdom used in the management of natural resources and the environment</p>	

CRITERIA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	GAPS & THREATS
4. NTFP Financing	<p>a. Social forestry schemes were some of the recipients of the USD7 billion Peoples's Business Credit (Kredit Usaha Rakyat, KUR) in 2017. KUR is a government financial mechanism to assist MSMEs to obtain business working capital or investment b. Public Service Agency, Centre for Forest Development Financing (BLU Pusat P2H) provides loans, profit sharing and Syariah schemes to local communities under the social forestry program to support ntfp development, forestry activities and ecosystem restoration. In 2017, it provided USD13.8 million in facilities.</p> <p>b. There are also credit unions and smaller village saving schemes initiated and managed by local and adat communities in Indonesia where capital is available to invest in NTFP collection, production and trade</p>	<p>Indiscriminate tax and non tax revenues i.e. permit and licensing fees could be too demanding for the communities and is a disincentive to community based ntfp development. Indiscriminate tax and non tax revenues i.e. permit and licensing fees could be too demanding for the communities and is a disincentive to community based ntfp development.z</p>	<p>The village fund that contributed USD13 billion over a period of 4 years mainly to infrastructure development is shifting its focus to the support and development of village economies which inevitably will include ntfps. In 2019, USD12.42 billion has been budgeted for the village fund.</p>	<p>a. In order to avoid both tax and non tax revenues, often community based enterprises are informal institutions that are not registered. Informal institutions often cannot apply for government financial aid and other incentives and benefits offered to the forest or rural development sector.</p> <p>b. Lack of working capital is one of the main difficulties faced by community based small and medium enterprise.</p>

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