

Ignoring Forest and Land Rehabilitation Responsibilities

An Analysis of the Forestry Sector's Budget and Planning Policies

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Economic Growth and Government Policies Trigger Forest Conversion

In a speech by the District Head of Ketapang on the submission of the Public Accountability Report (LKPJ) in 2012, it was stated that Ketapang's economic growth had increased from 7.51 per cent in 2010 to 7.98 per cent in 2011 – an even higher rate than the province of West Kalimantan at 5.94 per cent. High economic growth has been supported by the equally high growth of a variety of sectors, such as mining and excavation, construction, electricity and clean water. The mining sector has experienced the highest growth at 25.2 per cent, whilst the construction sector grew by 13.7 per cent. The increase in economic growth points to a relatively stronger economy compared to the previous year.¹

As the region with the largest area in West Kalimantan, Ketapang has considerable potential in terms of its abundant natural resources. In terms of the mining sector for example, there's bauxite, iron ore, gold, tin and other minerals. At the beginning of 2012, Mining Business Licenses in Ketapang were in operation over more than 1 million hectares, or one third of its total area. Furthermore, Ketapang's Department of Energy and Mineral Resources stated that bauxite reserves have reached 700 million tonnes.² Alongside being host to the largest mining area, 66 per cent of Ketapang's Natural Resource Revenue-Sharing Fund (DBH-SDA) is sourced from the mining sector. DBH-SDA in APBD 2012 amounted to Rp55.4 billion, with the mining sector accounting for Rp36.3 billion.³

Unfortunately, however, mining wealth in Ketapang isn't managed nor monitored well. Mining is being used for purely economic purposes, and fails to pay attention to the importance of environmental conservation or the principles of sustainable development. A member of DPRD Ketapang, Abdul Sani, stated that "forests, land and water in Ketapang have been destroyed because of mining" and "mining businesses have no positive impact on Ketapang", but serve only to destroy. The statement was delivered to an audience of mining businesses.⁴

¹ http://www.humas.ketapang.go.id/berita_full.php?vN=1791

² <http://www.kalbariana.net/izin-tambang-di-ketapang-satu-juta-hektare-65-izin-di-melawi-baru-tahap-eksplorasi>

³ APBD 2012 Ketapang. Data obtained by Seknas FITRA.

⁴ <http://www.rakyat-kalbar.com/ketapang/090114/hutan-tanah-dan-air-ketapang-rusak-akibat-tambang>

In terms of the forestry sector, 60 per cent of Ketapang's total area is forest area, covering 2.1 million hectares out of the region's total 3.5 million hectares. Moreover, Ketapang hosts Gunung Palung National Park (TNGP), which is referred to as Kalimantan's "treasured" forest. Unfortunately, however, a number of forest areas in Ketapang have been destroyed. Forest clearing and illegal logging is rife, including in TNGP. The mining industry has also contributed to forest destruction, as have the elite who play a significant role by abusing the authority of his/her respective post. In 2008 for example, the National Police identified three suspects in an illegal logging case in Ketapang. The three suspects were all police officials in Ketapang, who subsequently dragged the name of the Chief of Police in West Kalimantan through the mud. As such, the police force was seen as backing illegal logging in Ketapang.⁵ As a result, 985,389 hectares or more than a quarter of Ketapang's total area was declared critical land. Ketapang now hosts the highest amount of critical land in West Kalimantan; 496,185 hectares is located in forest areas and the remainder outside.⁶

Forest Areas, Critical Land and Other Areas in Ketapang

Vision

"To realise a Ketapang that's safe, peaceful, just and prosperous, and supported by a society that's intelligent, healthy and faithful, as well as a local government that's clean and dignified".

Mission

1. To realise a Ketapang that's safe and peaceful.
2. To build and improve the quality of strategic transport infrastructure, agricultural production lines, irrigated rice fields, as well as other forms of infrastructure by heeding to a fair priority scale.
3. To realise the economic development of society based on the development of agriculture, fisheries and marine services, livestock, as well as small-medium enterprises and cooperatives.
4. To create a society that's intelligent, healthy and faithful.
5. To realise a local government that's professional, clean and dignified.
6. To improve environmental sustainability and disaster management.

Forest destruction is caused by high rates of forest conversion. Rather than pursuing high economic growth for the purpose of increasing local revenue, the local government has "offered up" forests in Ketapang for conversion, primarily for mining exploration and exploitation, the opening/expansion of palm oil plantations, and the forestry industry itself. Moreover, the conversion of peatlands for palm oil plantations has been done so "intensely" under the pretext of economic growth and increasing local revenue. As such, local policies are designed to increase local revenue and support economic growth, as stated in the seventh mission. The local government also supports policies that are "friendly" towards investment. Through the continued publication of Plantation and Mining Business Licenses, it expects to be able to increase local revenue.

⁵ ICW, Elites Destroy Forests.

⁶ <http://bappeda.kalbarprov.go.id/index.php/2013-03-09-10-11-54/2013-03-10-13-45-23/kehutanan>, accessed on 31 May 2014.

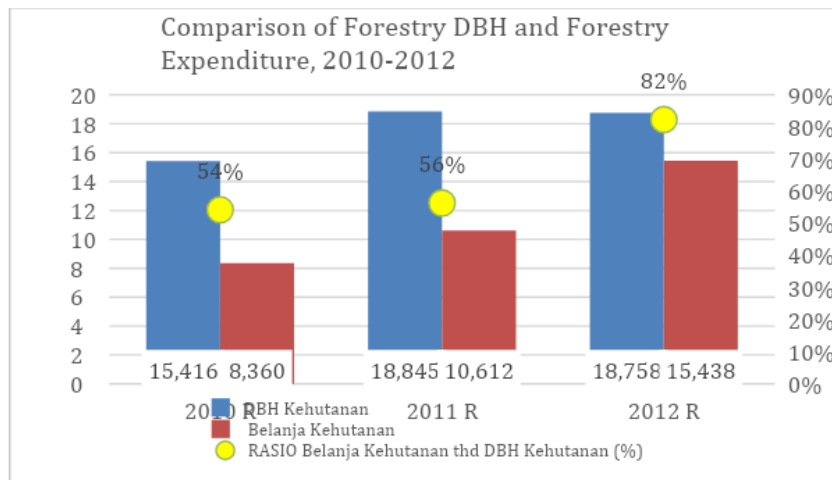
Based on data from WALHI in West Kalimantan, Ketapang issues the most palm oil plantation licenses. Up until July 2013, there were 76 palm oil businesses operating in Ketapang over an area of 838,800 hectares. Whilst data from the Department of Mining in Ketapang indicated that there are 78 businesses with Mining Business Licenses for an area of 990,000 hectares. Furthermore, there are 56 businesses that hold the Mining Operation Production License for an area of 196,000 hectares.

However, in the local government's sixth mission, it also commits to improving and prioritising environmental sustainability and disaster management. As such, the implementation of the sixth mission must be aligned with and no contradict the other missions. The practice of increasing local revenue through natural resource exploitation for example, must be reviewed and take into account the principles of sustainable development and environmental sustainability.

The practice of forest destruction in Ketapang has also been mentioned in a previous research report.⁷ The research concluded that based on current trends, almost all forests that aren't protected in Ketapang will be lost by 2020.⁸ One serious impact of forest destruction occurred in 2012, when there was widespread flooding in Ketapang. At least nine sub-districts were inundated by floods caused by the destruction of water catchments, which were in turn caused by forest destruction.

Low Government Commitment

One of the signs of widespread natural resource exploitation is critical land. The Government of Ketapang is currently facing the issue of high amounts of critical land. Critical land in West Kalimantan currently amounts to 1,271,987 hectares, or 77.5 per cent of total land in Ketapang. However, rehabilitation and reclamation efforts aimed at restoring critical land by the local government and businesses are very low.



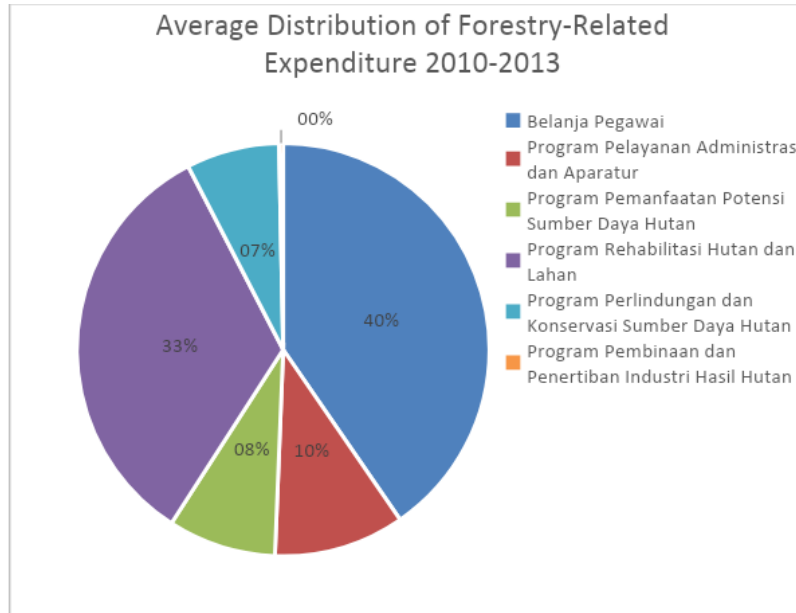
From 2010-2012, the average allocation for forestry affairs was only 1.2 per cent of total local expenditure. The budget allocation for forestry is still minimal, especially when compared to income from Forestry DBH. The average ratio of forestry expenditure to income from Forestry DBH was only 64.3 per cent.

From 2010-2011, forestry-related expenditure only amounted to half the income from Forestry DBH, and only half of that again was used for

non forestry-related purposes. Such a small allocation doesn't reflect the local government's commitment stated in the sixth mission; to improve environmental sustainability and disaster management, as only 1.2 per cent of the allocation is from local expenditure.

⁷ Based on a comprehensive socio-economic survey, high-resolution satellite imagery and carbon mapping from Ketapang, conducted by Kim Carlson from Yale and Stanford University.

⁸ <http://www.mongabay.co.id/2012/04/29/temuan-studi-sawit-penyebab-utama-kerusakan-lahan-gambut-kalimantan/>, accessed on 31 May 2014.



In terms of the distribution of forestry-related expenditure, approximately half is used for personnel expenditure and program administration. Land and forest rehabilitation programs only account for 33.3 per cent or a third of forestry affairs expenditure, and only 0.4 per cent of total local spending. However, expenditure for the program is increasing every year. Overall though, revenue from the forestry sector accounts for more than 1.5 per cent of local revenue, demonstrating the local government's weak commitment towards forestry and its associated problems.

Recommendations

In response to the above findings, we would like to encourage the local government to improve the substance of its forestry policies by taking the following steps:

1. Conducting a study on the benefits of investing in the mining, plantation and forestry industries in terms of public welfare, as well as the socio-ecological impacts incurred.
2. The Department of Forestry and Plantations needs to formulate a comprehensive 'grand design' for forestry development, then internalize it within its RKA SKPD through the realization of the following programs; RHL, prevention of deforestation, strengthening forest management institutions, and securing access to forest resources through PHBM, and sustainable management.
3. Increasing forestry-related expenditure and setting aside at least 60 percent of the forestry sector's budget for the planned, measured and systematic achievement of critical land rehabilitation through a multi-year expenditure approach.