

**EVALUATION ON GOVERNMENT'S
REFORESTATION PROGRAMME IN
INDONESIA**

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Abstract

Even though the Government of Indonesia invests billions of rupiah to combat deforestation, the extent to which deforestation has declined as a result of the programs is questionable. The current research identifies aspects of Indonesia's forest management in the early stages when its administration was decentralised, and investigates how this may have interacted with forest programme design and administration to decrease or increase deforestation in Indonesia.

The study analyses changes in rates of forest cover in Indonesia and their association with local government forestry expenditure (FE) and other factors that directly and indirectly contribute to the effectiveness of FE. Linear regression results, based on 2007–10 national data, indicate that forest expenditure has not been effective in reducing deforestation even after factors found to be correlated with forest loss—such as population growth, population density and initial forest cover proportions—are controlled for.

Qualitative analysis for data from 1999 to 2013 from five provinces (two timber producing and three non-timber-producing provinces), provides contextual explanations of why FE is ineffective in decreasing deforestation. In fact, the overall results show that the government has helped contribute to deforestation by incentivising unsustainable transmigration development, palm oil plantation development, mining and timber logging. The absence of government policy to control population density, population growth, settlement extension, rural and urban poverty gaps, tree crop

expansion, property rights, land use allocation, and corruption also contribute to an increase in the Indonesian deforestation rate.

Key words: decentralisation, driving forces of deforestation, government policy, qualitative, quantitative, tropical forest.

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Dedication

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List of Abbreviations

1BTP	1 billion trees planted (<i>penanaman 1 juta pohon</i>)
AMAN	Indigenous People's Alliance of the Archipelago (<i>Aliansi Masyarakat Adat Nusantara</i>)
BKPM	Funding Investment Coordination Agency (<i>Badan Koordinasi Penanaman Modal</i>)
DAK kehutanan	Special Allocation Fund in Forestry (<i>Dana Alokasi Khusus kehutanan</i>)
DBH-DR	Revenue Sharing from Reforestation Fund (<i>Dana bagi Hasil - Dana Reboisasi</i>)
DJR	Reforestation Guarantee Fund (<i>Dana Jaminan Reboisasi</i>)
DR	Reforestation Fund (<i>Dana Reboisasi</i>)
FE	forestry expenditure
GDP	gross domestic product
GNRHL	National Movement for Forest and Land Rehabilitation (<i>Gerakan Nasional rehabilitasi hutan dan lahan</i>)
HPH	small-scale timber concessionaires (<i>Hak pengusaha hutan</i>)
HTR	community-owned plantation (<i>Hutan tanaman rakyat</i>)

IDR	Indonesian Rupiah rate
IIUPHH	forest product utilisation business permit fee (<i>Iuran izin usaha pemanfaatan hasil hutan</i>)
IPK	timber-utilisation permit (<i>Izin Pemanfaatan Kayu</i>)
KP	mining concession (<i>kuasa pertambangan</i>)
KPK	Corruption Eradication Commission (<i>Komisi Pemberantasan Korupsi</i>)
LPP	limited production forest
NGO	non-government organisation
PE	programme evaluation
PPM	community garden plantation (<i>penanaman pekarangan masyarakat</i>)
PSDH	forest resources provision (<i>Provisi sumber daya hutan</i>)
US	United States of America