

Conflict Management and Natural Resources Management in Indonesia

*NRM-EPIQ's
Approaches & Achievements in Indonesia's
Democratization & Decentralization Transition
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Assumptions and Definitions Underlying USAID's NRM Program

- **Conflict and competition** are a basic part of human nature. Conflicts cannot be prevented; they can only be managed to socially constructive ends.
- **Conflict management** seeks to prevent conflicts from becoming violent or socially, economically, ecologically destructive by creating mechanisms that channel energies into constructive, mutually acceptable outcomes.
- Based on experience, democratic, participatory **governance institutions** & fairly-regulated **markets** are the best approaches to sustainable management of conflicts and competition over natural resources.

Conflict Management in NRM-EPIQ's Portfolio: *Objectives*

- **Supports USAID-GOI Strategic Objective: Decentralized & strengthened natural resources management (NRM)**
- **Decentralized NRM Initiatives** in E. Kalimantan & N. Sulawesi address local NRM conflicts, develop experiences & approaches to support decentralized NRM policy at regional & national levels
- **Tier II Provincial Support** programs in Central Sulawesi & Papua share experiences & approaches and in decentralized NRM
- **NRM Policy, Protected Areas, & Forest Management** groups in Jakarta support regional initiatives as well as engage in national policy dialogue and institutional support for decentralized natural resources management

Conflict Management in NRM-EPIQ's Portfolio: *Strategies & Approaches*

- **Target critical environmental systems**, resource uses where conflict management mechanisms are lacking.
- **Support conflict management activities** that require dialogue, joint problem-solving and field activities by key stakeholders.
- **Use multiple, complementary interventions** & approaches to address conflict management situations.
- **Examples:**
 - Public awareness, policy, legal & regulatory analysis
 - Confidence-building activities among stakeholders
 - Support for institutional innovations.

Conflict Management in Indonesia: *The Setting*

Rapid political & economic governance transition from:

- Highly centralized and autocratic governance
- Weak rule of law
- Lack of publicly accountable institutions

Towards:

- Radically decentralized governance regime
- Emergent civil society and new economic actors
- But confused and weak rule of law

Results in many long-standing NR conflicts, esp. in:

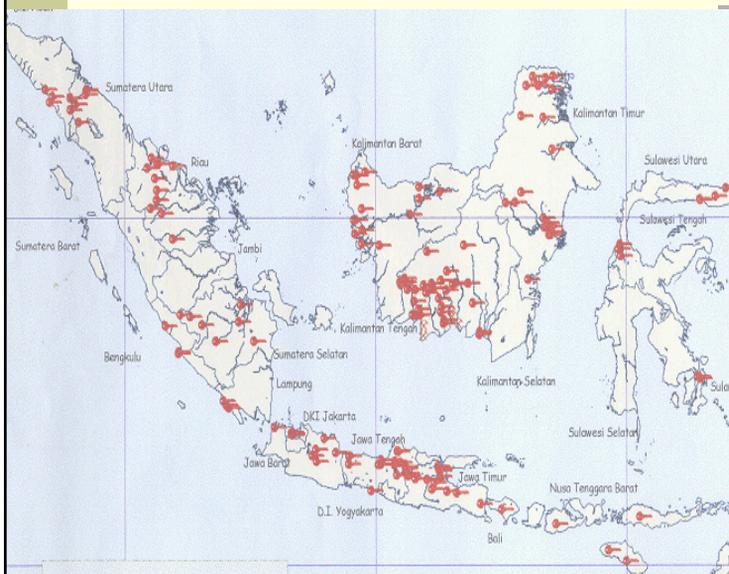
- Forestry
- Mining (oil and gas, minerals, small & large scale)
- Marine resources.

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NRM-EPIQ Conflict Management Presentation

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Conflict Management in Indonesia: *An Example of the Challenge*



— Dots indicate more than 4,000 conflicts over forest land use between local communities & forest concessionaires. Many other conflicts (ethnic, religious, etc) not recorded. Papua not included. (Source: Cases registered by Forest Watch Indonesia, 2000)

Conflict Management in NRM-EPIQ's Portfolio: *Causes of Conflicts*

- ***Conflicts and competition over natural resources frequently occur in three situations:***
 - Conflicts over access & control of “open access” resources where property rights are unclear or difficult to enforce
 - Conflicts over critical environmental systems with multiple, competing uses and claims
 - Conflicts over competing ideological or constitutional views of property rights, the rule of law and the role of the State in natural resources management

Conflict Management in NRM-EPIQ's Portfolio: *Causes of Conflicts (Cont'd)*

- Indonesia lacks “common law” or other national legitimate basis for property rights to resolve basic resource conflicts
- Hence, unclear or unjust resource management rules give rise to numerous resource conflicts:
 - National vs. local
 - Modern vs. traditional
- Existing mechanisms for public consultation, transparency and accountability are weak or absent in gov't & business
- Hence, governance institutions have weak legitimacy & authority, which creates or worsens resource conflicts.

Conflict Management in NRM-EPIQ's Portfolio: *Current Activities*

- **North Sulawesi Province:**
 - *Bunaken National Marine Park*
 - *Tondano River Watershed ("DAS")*
- **East Kalimantan Province**
 - *Sungai Wain Protection Forest*
 - *Kutai Barat Integrated Forest Plan*
- **National Level Resource Management Conflicts**
 - *Basic Law on Natural Resources Management*
 - *Production Forestry Sector Reforms*

Conflict Management in North Sulawesi: *Bunaken National Marine Park*

Range of Conflicts:

- Local park "nationalized" in 1991 without local consultation
- Major international dive tourism site --little direct local benefit
- Cyanide & bomb fishing, solid waste degrading site
- Few incentives for local gov't & communities to protect
- Worsened by decentralization & economic crisis -- 1998 on

NRM/EPIQ Conflict Management & Resolution:

- Confidence-building and dialogue
 - Zonation revision (community-defined areas of multi-use)
 - Formation of community forums (consultation & awareness)
 - Private sector Support for Water Police Patrols
- Building "local ownership" of the National Park
 - Entrance fee innovation
 - Establishment of National Park Advisory Board
 - Dive operator – community support relationships.

Conflict Management in North Sulawesi: *Tondano Watershed (DAS)*

Range of Conflicts:

- Lake supplies 80% of electricity & water for main cities
- Deforestation for high value agri- & aqua-culture in upland is silting up lake, causing flooding downstream.
- Lack of community empowerment, resources, & institutions for better land use management & conservation
- Poor local gov't services in agric., soil, water conservation.

NRM/EPIQ Conflict Management & Resolution:

- Community mapping & rules on land use, with NGO (LP2S)
- Formation of community forums to develop village rules
- Village networks to widen planning & engagement with GOI
- Leveraging assistance, services from local gov't & projects
- Accelerate peer-to-peer sharing of village level successes

Conflict Management in East Kalimantan: *Sungai Wain Protection Forest*

Range of Conflicts:

- Critical watershed for province's largest city, oil & gas industry
- Rare intact lowland forests; rare flora and fauna
- Multiple use threats; unclear management responsibility
- Encroachment by shifting cultivators, illegal log traders.

NRM/EPIQ Conflict Management & Resolution:

- Public Awareness and Mobilization
 - Awareness & pride campaigns: residents, students, officials
 - Threat, value & policy analysis to mobilize local gov't action
- Support Multi-stakeholder Management of Watershed
 - Facilitating local, participatory Management Board
 - Developing proactive planning & enforcement program
 - Encourage compatible economic uses near urban area

Conflict Management in East Kalimantan: *Kutai Barat Integrated Forest Program*

Range of Conflicts:

- Forest & resource rich district, indigenous forest population
- Large tracts in commercial concessions from Suharto Era
- Resource extraction: Upstream poor, downstream benefits
- Local – provincial government roles & responsibilities
- Land tenure, resource revenues, local gain from forest assets

NRM/EPIQ Conflict Management & Resolution:

- Supporting multi-stakeholder working group on planning
- Analyzing forest use scenarios, sharing information
- Building local institution & ownership in priority programs
- Providing TA on mapping, policy, legislation
- Leveraging support for implementation (GOI & Donor funds)

Conflict Management at National Level: *Forest Sector Reforms*

Range of Conflicts:

- Corruption of the State by the Private Sector
- “Extractive” paradigm, “mining” of resources
- Inequitable design & operation of concession system
- Land use, tenure, and claims of traditional forest dwellers

NRM/EPIQ Conflict Management & Resolution:

- Support Reform Movements & Multi-Stakeholder Process
 - Independent Forestry Reform Commission (1999)
 - Task Force on Forestry Institutional Reform (2000)
 - “Five Workshop Series” on Forestry Reform (2001)
- TA Toward Resolving Specific Issues
 - Support for Ministry on decentralization models
 - Economic analysis, & advocacy on industrial down-sizing
 - Bringing regional lessons/successes to center

Conflict Management at National Level: *National Basic Law on NRM*

Range of Conflicts:

- Ambiguous property rights, customary law, role of State
- Inconsistencies in Constitution (Articles 18 & 33)
- Conflicts in purpose, ownership, jurisdiction, accountability
- Existing laws too sectoral, not coordinated, legal gaps
- Weak national institutions; weak local capabilities

NRM/EPIQ Conflict Management & Resolution:

- Support national forums to formulate coordinated action plans
 - Adat People's Congress (1999)
 - NRM Conference (2000)
- TA for Specific Initiatives & NGO Coalitions
 - Task force on NRM Basic Law & constitutional amendment
 - Working Group on Agrarian Reform (TAP MPR No. 9/2002)

Conflict Management in Indonesia: *Lessons Learned*

Intervention Steps

- Facilitate dialogue among all sides on scope & need for action
- Build confidence through simple activities, active cooperation
- Facilitate trust for more formal institutional cooperation
- Develop conflict management mechanisms & institutions
- Channel conflict into discussion/arbitration
- Institution/arbitrator needs authority to make binding decisions
- Seek to combine rules & policies with economic incentives
- Transparent, regular monitoring and feedback on activities is essential for development of institutional legitimacy

Conflict Management in Indonesia: *Lessons Learned*

Governance

- Sense of ownership and delineation of responsibilities for all stakeholders key to managing “open access” resource conflicts
- Conflict resolution does not always mean consensus decisions
- Stakeholders need education about issues and outcomes
- Public interest is separate from private interest
- NRM decisions often result in winners and losers
 - Roles, responsibilities need to be clear:
 - State, communities, NGOs, and private sector
- Conflicts of interest may lead to wider social, economic conflicts
- Transparency is key to success: for any resolution in planning, permitting, law-making and other NRM issues