

PROCEEDING

National Meeting on Socialization and Facilitation of Dedicated Grant Mechanism from Forest Investment Program

Bogor, 27th June 2013

A. Introduction

Indonesia is becoming an important part of the negotiation on Forest Investment Program or FIP). FIP is one of the fast track climate financing to support the efforts of developing countries in overcoming the basic cause of deforestation and forest degradation.

FIP is also financing the public and private investment to reduce emission from deforestation and forest degradation, to increase forest management sustainably and refinement the carbon stocks as well as climate change by still giving conservation benefit of natural diversity, poverty reduction, and better livelihood.

Indonesian government has proposed the Forest Investment Plan to World Bank. Furthermore, World Bank has agreed to this proposal while giving special note, that FIP implementation should have direct effect to the community life. Therefore, FIP has dedicated grant mechanism for indigenous people and local community that is called Dedicated Grant Mechanism (DGM).

DGM design has involved working groups from indigenous people and local community so that results the unique global initiative. DGM gives grant to indigenous people and local community in eight FIP piloting countries. DGM finances capacity building activities and supports indigenous people and local community initiative in the management of sustainably forest in the level of local, national, and global.

Based on the explanation above, Community Chamber of National Forestry Council (DKN) considered it as important to disseminate information about DGM. Then, there was an idea to hold National Meeting in Hotel Pangrango II, Bogor on 27th June 2013. In that meeting, Community Chamber of DKN invited the representatives of indigenous people and local community to give views and attitudes about DGM as well as FIP in Indonesia. Community Chamber of DKN hoped that DKM can give benefit to the life of the community.

This national meeting was attended by related parties, especially the members of DKN from Community Chamber (indigenous and local), representatives of indigenous people and local community, representatives of community where there is model of Forest Stakeholder Region (KPH) and Non-Governmental Organization (NGO). On that meeting, Community Chamber of DKN facilitated a discussion about the substance and the process of DGM as well as the preparation of DGM action plan in Indonesia; include formulating the process and mechanism of DGM National Steering Committee establishment.

Conclusion:

- World Bank has agreed to Indonesian government proposal for Forest Investment Program with note that the program implementation can give direct effect to the community life.
- In the Forest Investment Program, there is a dedicated grant mechanism that is used to finance the capacity building activities and to support the initiative of indigenous people and local community in the management of sustainably forest.
- Community Chamber of DKN sees that it is necessary to have efforts to disseminate information about DGM to make the mechanism being useful for the community interest.

B. Speech from Coordinator of DKN Community Chamber

This meeting was started by the speech from coordinator of Community Chamber of National Forestry Council, Leonard Imbiri. Leo, thus his nickname, started his speech with say thank you to the participants. Leo stated that this meeting marks an important stage for the community to get involved in the program that has important relation with them. Dedicated Grant Mechanism or DGM program has an important relation with the community since it is related to the Forest Investment Program or FIP. For indigenous people and local community, both like wilderness and full of question marks, especially that initiative comes from global initiative.

DGM is fund that has been prepared by donor countries through World Bank, ADB, and IFC which particularly aimed to support the activities of local community and indigenous people. Therefore, community who is involved in this program needs to prepare one mechanism, like national steering committee establishment that will help the processes related to the implementation of the grant.

This national meeting was held to socialize the DGM and FIP implementation. The community has to give views, attitudes, and critical notes toward this program so the implementation of the program can be in accordance with our expectation. In the DGM implementation, indigenous people and local community have to be the main actor, not just pseudo-participation. So far, the word participation has become a tricky word, indigenous people and local community became only peripheral part.

The community expects that both mark the alteration of paradigm in the forestry sector development. The alteration of paradigm that positions community as the main actor is very important. To guard all of that, DKN especially the community chamber, will be actively involved in the meetings and discussions until national steering committee of this program is established in the next six months until in the next one year.

Leo ended his speech with the typical joke of Papua or Papua MOB. Once upon a time, there was villager asked to clean the field. That villager went to the field. On the first day, he counted until 30. When he got home, his boss asked him: "How many has been cut?" He answered there were 30 trees. Second day, he went to the field again and counted one until 30. His boss asked him again, he answered, there were already 60. In the third day, his boss checked to the field and he was surprised because not even one tree is cut. Apparently, the villager was only counting, but never really cut the trees.

Through Papua MOB, Leo implied some wisely messages, that often there are so many meetings that do not result concrete ways so that does not change anything. He expected that this meeting will be able to result detailed action plan so it can encourage the community to play role in the forestry sector policies.

Conclusion:

- The development of forestry sector in Indonesia still places the community only as object and audience so the position of the community becomes peripheral.
- DGM is a global initiative in developing the forestry sector investment that gives spaces for the capacity building of indigenous people and local community to get participated in the development process.
- Community chamber of the DKN expects that DGM implementation can give new paradigm in the forestry sector policy, especially the involvement of the indigenous people in the forestry management.

C. Discussion on Position and Role of Indigenous People and Local Community in the Guard of the Forestry Policies in Indonesia

After speech from DKN Community Chamber Coordinator, forum was continued with the discussion. This discussion session was attended by Noer Fauzi Rachman PhD, an academician and agrarian observer. The discussion discussed about the position and role of indigenous people and local community in the forestry policies, especially as subject of right stakeholder of Dedicated Grant Mechanism (DGM) substance and the consequence of Constitutional Court verdict about indigenous forest. The discussion moderated by Edy Batara Siregar, DKN Executive Director.

Noer Fauzi, the familiar name of Noer Fauzi Rahman thought that it would be very difficult for indigenous people and local community to guard the forestry policies. The difficulties cannot be separated with the historical fact that placed the community as object that can be criminalized every time they entered the forest area. This transitional status –from object of criminalization to subject that has to guard policy alteration, of course it is not something easy.

Now Constitutional Court (MK) has made important verdict in the forestry sector policy. For him, MK verdict No. 35/PUU-X/2012 marks a new chapter of the indigenous legal community struggle as forestry policies stakeholder. This new chapter can either give blessing or disaster for indigenous legal community, all depends on the guarding way done by the indigenous legal community.

This verdict states that the criminalization action over indigenous people who access forest area is unconstitutional. In a simple explanation, MK verdict erases the word state in the article 1 paragraph 6 therefore the sentence become “indigenous forest is forest that is located in the indigenous law area”. The word state is crossed out. State forest as referred is not including indigenous forest, in short indigenous forest is included in the right forest.

In the legal study, the matter of classifying is not a small and unimportant problem. So far, the authority’s way to perpetuate or legitimate injustice is by making those categories. By categorization, the authorities are not just strengthening their selves, but also the oppressed absorbs and uses that categorization in their own daily life.

Categorization and colonial logic was turned off by the Law No. 5 Year 1960 about the Agrarian subjects. Unfortunately, in the reformation era, to be exact in 1999, colonial logic was turned on again by Law No. 41 Year 1999 about Forestry. One of the social justice struggle strategies is to alter those categories. MK has been altered the indigenous people and local community who treated as object before and being criminalized before into becoming subject of forest area right stakeholder.

Noer Fauzi is one of the expert witnesses who was being asked by National Indigenous Community Alliance (AMAN) to give evidence on 2 cases; Manggarai and Bentian (East Kalimantan), in the trial in the Constitutional Court. For him, both are indigenous legal area categorized as state forest area. Then, the government issued exploitation permission for the industrialists (HPH). The government and industrialists got rid of the indigenous community for their own land.

In those two areas, the indigenous community was not only considered as criminals, but also they were discarded from their own home. When the community refused to move, they were considered as rebellion. The government opted to force them and led to the clash, and even resulted into fatalities. Ironically, that sad story is not story from colonial era. Everything happened after Indonesia gets already its independence. So, the construction that colonial era classifying is still perpetuated until recently.

When an area is stated as National Park, then the surrounding community has to also adapting their selves. Their daily activities to utilize forest products will be considered as criminal practices. In fact, not few of them were discarded from their own home. The burning of residential has been often happening, done by the authorities to get rid of them from National Park area.

The verdict of Constitutional Court gives the constitutional right for indigenous people and local community over their forest area. If before, they were only the state forest user, now the indigenous legal community is treated as subject of right stakeholder. As right stakeholder, the indigenous legal community becomes sovereign forest manager; they have right over that area. But the struggle is not over yet, there is still a wall that should be demolished named map. There are lots of maps held by HPH and HTI that don't enclose the indigenous legal community map on it.

In the same time, the struggle also has to pay attention to the global logic. The term of indigenous legal community won't be found in the global level, so the strategy to get recognition from the international world is by using the terminology indigenous people. That terminology is used in the international programs such as Forest Investment Program (FIP). Every country that accesses the program must accommodate the interest of indigenous people. In fact, FIP won't run if there is no representation from indigenous community or indigenous people in its process. In short, if there is no indigenous community involved in the decision making, the grant won't be disbursed.

Besides that, the women representation principle must also become international standard. Therefore, the indigenous legal community struggle must also concern to the women representation through empowering strategy. In Indonesia, the indigenous law structure is very diverse; in fact there is also some patriarchal laws so that the women do not have customary rights. If the struggle of indigenous community wants to get international recognition, then indigenous law has to ratify the women representation principle.

The verdict of Constitutional Court has rectified the right of state power in the indigenous forest area. Grammatically, the word state is crossed out. But in the governance matter, the practice of policy rectification does not exist; in fact there is even a policy addition. Noer Fauzi says that the implementation of Constitutional Court verdict seems to be complicated, especially because the restoration of indigenous forest area is still located in the National Park, forest concession (HPH), industrial plantation forest (HTI), and other users right (HPL). How is the restoration of indigenous community land? Ministry of Forestry opted to wait the Local Regulation (Perda) or Decree of Regent (SK) about the recognition of customary and indigenous rights. In short, if only there is a formal request from the district and the province, then the Ministry of Forestry will be do something. In fact, National Land Affairs Agency (BPN) will be only doing something when there is policy from Ministry of Forestry.

After presentation, Edy Batara Siregar (moderator) asked the delegations of DKN Community Chamber to response to Noer Fauzi explanation. The first response came from Rahman Sembalun, the activist of Indigenous Community of Rinjani – West Nusa Tenggara. Rahman reported that National Park in Rinjani – West Nusa Tenggara has thousand acres of savanna so it will be really susceptible in the dry season, either from

drought or forest fires. Rinjani Care Forum has planted trees for greening, but unfortunately the rangers pulled them out.

Deforestation in the Rinjani National Park area is still continuing. Ironically, that thing happened after the area was stated as national park. Previously, Rinjani was a fertile area and wilderness, but when the Onion Laboratory Project appeared, lots of lands were displaced. The wilderness has changed into reed forest, especially in 1988 when there was forest fire.

According to Rahman, most of National Park areas belong to customary right. In 2004 – 2005, Rahman noted that tens of the people houses considered as located in the National Park was burned by the rangers, they even discarded those people.

To push the MK verdict into becoming the opening path of indigenous community struggle, Rahman urged the meeting participants to formulate the effective and efficient socialization strategy, especially for the community and the local government.

The second response came from Isnadi Esman, the representative of Riau community. Isnadi said that not all regions in Indonesia possess indigenous forest, he have example of Riau and Jambi region. Isnadi asked Noer Fauzi about the possibility of MK verdict can give effect to the forest area instead of to indigenous legal community. Isnadi reported the criminalization treatment to the community that has been happened in all areas, both in state forest and in indigenous forest. Because of the criminalization practice, it leads to several conflicts, either vertical or horizontal conflicts. That is why, Isnadi asked all the forestry activists to push the effect of MK verdict on the other areas, such as aborting the decree for the company or corporation.

In the same time, Isnadi thought that the Ministry of Forestry prefers to wait for the Local Regulation (Perda) concerned to the initiation of indigenous legal community. In this situation, what can be done by the community or DKN to push the regent or governor side to immediately issue the Local Regulation?

The third response came from Eliza from Maluku. Eli, that's how she is usually called, told about the struggle of indigenous community in Maluku to keep the forest and its surrounding has been going on for more than 30 years. In Maluku, there is a concept of inheritance, so the community is supposed to be more entitled over the land management.

They are the legal owner of the inheritance. The history of indigenous community expulsion in Maluku has been going on long enough, especially in the register of 1883. Based on the cultural wisdom, we reject the mining companies that want to destroy the environment, even though they get the permission.

For Eli, the focus of the future struggle is to push the MK verdict to appealing the claim over forest area management. So far, the state uses Article 33 of Basic Constitution (UUD) 1945 as the argument to take control over the whole earth –land, water, air in Indonesia.

Noer Fauzi felt thrilled to hear comments and responses from the community delegation. He hoped the MK verdict can continue to be socialized. But hoping the government takes the initiative seems to be like castle in the air, it will be never happen. In fact, the government opted to just let the MK verdict passes by. The government wouldn't be admit their mistake of did the criminalization on the indigenous community in the past. For Noer Fauzi, the socialization initiative must come from the community itself. The community has to notify the MK verdict to the public, as well as to inform that the government action of criminalizing the community in the forest area is indeed a mistake. This is the constitutional mandate. As good citizens, the indigenous people and local community are required to become the constitution guard, including making the constitution as the work tools to change the government.

The government is not automatically changed, that is the fact! The other fact is, until recently the government itself does not yet have valid evidence about the forest area control. So far, the government only claimed that 70 % of the state area is forest area, but that data is not supported by some accurate mapping. The government is not able to answer the question on how wide the state forest area can be reduced by indigenous area forest. The similar situation is also experienced by indigenous community, AMAN reported about the 40 million acre of indigenous forest area. The data itself is only a claim. For Noer Fauzi, the government is supposed to be able to show the number of the area wide in detail, not in the contrary, the people itself who estimate the wide of the area.

For area that is not indigenous forest has to be elegantly answered. Noer Fauzi told that initially the struggle of Manggarai people was under the name of Manggarai Farmer Union (Serikat Petani Manggarai). At that time, the word "farmer union" was still considered as dangerous so the

local government was difficult to accept the community demands. Then, they changed the name of their organization into indigenous community group, the effect was they were more heard and recognized.

In the Basic Constitution (UUD 1945) the right to control the area does belong to the state. Then, Noer Fauzi quoted the statement of Constitutional Court judge, Ahmad Sodiki, about Article 33 of UUD 1945 which mandates the state right to utilize the natural resources. For Sodiki, the prosperity of the people won't be able to be fulfilled only by the law enforcement. The concept of controlling does exist in the constitution of UUD 1945, but that concept cannot be run without law. Ironically, the law is using the colonial concept so that in the practices, the Ministry of Forestry has been applying the policies that oppress the indigenous people and local community. Finally, MK verdict rectified the spirit of that Forestry Law which perpetuates the spirit of the colonial.

Conclusion:

- The indigenous people and local community will be difficult to guard the forestry policies, they need transition period from their criminalization object status to subject that has to guard the policies change.
- In the agrarian sector, categorization and colonial logic had been turned off by Law No. 5 Year 1960 about Agrarian Subjects. Nevertheless, in the reformation era, 1999 to be exact, colonial logic was turned on again by Law No. 41 Year 1999 about Forestry.
- The Constitutional Court (MK) verdict No. 35/PUU-X/2012 constitutionally legitimated indigenous legal community as forest policy stakeholder. The initiative of MK verdict socialization has to be done by the community itself as the constitution guard. The indigenous community should make constitution into become work tools for the citizen to change the governance.

Furthermore, Emile Kleden moderated the discussion about the DGM with Mina Setra (activist of National Indigenous Community Alliance/AMAN) and Sungging Septivianto (the member of DKN Community Chamber). They will share the meeting result that discussed about Dedicated Grant Mechanism of Forest Investment Program, either that was held in the national level or international level.

Mina explained that DGM is a grant mechanism dedicated to support the capacity building of the indigenous people and local community. In World Bank, there is a fund mechanism called Climate Investment Fund (CIF). CIF is a funding instrument designed to support the low carbon effort and the development of the adaptability to face the climate change (climate resilient). CIF is distributed by African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and World Bank Group.

CIF is divided into two big programs; those are Clean Technology Fund (CTF); the fund that is prepared to support the efforts of low carbon technology development and Strategic Climate Fund (SCF); the fund that is targeted to support the new approaches by piloting projects. While SCF has 3 main programs:

1. Forest Investment Program (FIP), that is a program designed to support the developing countries effort to reduce the forest damage and the forest quality reduction (REDD), and to promote the sustainable forest management. This program will be supporting the preparation of a country for REDD through National Strategy of REDD Preparation or something like that.
2. Piloting program for Climate Resilience (PPCR), which is a program that aimed to demonstrate the integration of resilience development to face the climate change, in the design and implementation of current development.
3. Scaling up Renewable Energy Program in Low Income Countries (SREP), that is program aimed to help low-income countries in using the economic opportunity to improve the access for energy through renewable energy program.

In the outline, the grant mechanism of climate investment program can be seen in the chart below:



Mina Setra said that the involvement of AMAN in the meetings is as observer of Asian Indigenous Community representative. That involvement is started since the third meeting that talked about the Policy Design of FIP in the FIP Third Design Meeting held in Washington DC on 4th – 5th May 2009. On that event, there was another observer, such as COICALatin – Central America, International Alliance, and Indigenous Information Network – Africa. There were also representatives from NGOs, like Greenpeace, GFC, FECOFUN – Nepal, RFUK, The Nature Conservancy, and EDF (Environmental Defense Fund).

That meeting was a follow up meeting of FIP Design Meeting II where AMAN was not involved yet. According to Mina Setra, the draft of FIP Policy Design that was available at that time was already good enough, where the FIP funding would be focused to the Natural Forest security. Indigenous Community Group had interest to include the UNDRIP and FPIC rules in the FIP implementation. In the same time, the draft entered the FPIC clause as FPI Consent, not FIP Consultation, that generally used by World Bank. In fact, in the Policy Design III, there was a special chapter about the FIP commitment to support the initiative of indigenous people and local community related to Forest Management in the form of dedicated grant financing, which is later known with the abbreviation of DGM (Dedicated Grant Mechanism).

In that meeting, there was a bull session about Natural Forest and UNDRIP – FPIC. Gabon, Democratic Republic of Congo (DRC) and Papua New Guinea (PNG – even though PNG played more diplomatically), at that time refused that FIP financing was devoted to Natural Forest. They pushed that Industrial Tree Plantation must be also financed by this program. This attitude got resistance from NGOs. While, USA, Australia, and UK refused the inclusion of UNDRIP and FPIC in that FIP Policy.

In the FIP Third Design Meeting, the only country that already committed to fund the FIP at that time was Norway with the commitment of US \$ 700 million. But the refusal from USA, UK, and Australia as prospective donors became really significant in influencing the future FIP funding. Hence, at that time World Bank formed two Working Groups to solve that “conflict”, those are Working Group I between NGOs party with the country supporters of Industrial Tree Plantation and Working Group II between Indigenous Community with countries that refused the UNDRIP and FPIC. At that time, both working groups did not find agreement.

The NGO group agreed that discussion and lobby on that topic will continue through email. The indigenous community group did not agree anything at that time. The indigenous community tried all of their efforts to defend Article 16 (d) of the original document. However, at that time, the indigenous community was outvoted. USA led other countries to push Indigenous Community group, caused the paragraph about UNDRIP in Article 16 (d) that consisted of 2 paragraphs, was changed. While the second paragraph about FPIC was last until the meeting was declared as did not reach an agreement.

World Bank, at the urging of Norway, decided that the Working Groups will continue the discussion in the other meeting, until they reach agreement. Hence, the meeting between Indigenous Community, USA, UK, and Australia was continued. The first meeting of Working Group between Indigenous Community and these countries was held in New York on 21st May 2009. The representatives of Indigenous Community at that time were Estebancio Castro (International Alliance), Marcial Arias (Global Forest Coalition), Egberto Tabo, Rossa, and Refael Mendoza (all was from COICA), and Mina Setra (AMAN – Asia Caucus). That meeting did not also reach an agreement. Then it was continued with the follow up meeting in Frankfurt, 12th June 2009, with the representatives of Indigenous Community: Estebancio Castro (IA), Diego and Rossa (both was from COICA), and Mina Setra (AMAN – Asia Caucus). In those two meetings, the Indigenous Community team was always reporting and consulting with the other Indigenous Community group in the International Indigenous Peoples' Forum on Climate Change (IIPFCC) about the development of the negotiation in FIP.

The meeting in New York did not reach any agreement, unless about the need to make criteria and indicator to become addition document (annex) for Article 16 (d) of the FIP Policy Draft. In the meeting in Frankfurt, Australia and UK stepped down from Working Group, with the attitude would be accept any result issued from that meeting. It left only USA to solve the “conflict” with the indigenous community. After a tense meeting, the final result was the important elements of FPIC would be included on the criteria and indicators that will become annex III, especially for Article 16 (d) by stating (in the Policy Design) that this article should refer to Annex III mentioned before. And UNDRIP was included again on the FIP Policy Design, even though it was stated in the different formulation.

Another issue related to FIP and Indigenous Community was Chapter X (ten) about Dedicated Grant Mechanism (DGM) for Indigenous People

and Local Community. There were 3 articles in that chapter (38, 39, and 40) about the fund support for the Indigenous People and Local Community Initiative in the Forest Management System. Concerned to that, the Working Group that was previously formed just as problem solving space related to FIP Policy, then its mandate was expanded to prepare the TOR of grant mechanism related to this DGM. After through several meetings, discussions via email and conference calls, the Working Group on DGM felt that it is necessary to have wider process that involving more Indigenous People and Local Community to get involved in discussing about this DGM. Then the Working Group proposed that there should be a consultation process to do with the Indigenous Community in 4 regions (Latin America, Asia, Africa, and Pacific) plus 1 in the global level. From those performed meetings, finally it was resulting TOR about process that should be done to generate Grant Mechanism Design, not/yet TOR about that mechanism itself. This proposal got agreement from the Sub-Committee FIP in the meeting at Manila. March 2010.

In every performed regional consultation, each region discussed about what principal things should be guideline in this grant mechanism, including how the grant mechanism itself will be distributed to Indigenous People and Local Community. Every consultation was already performed (except in the Pacific region, because of issue consideration) and every Region was generating the region proposal on Grant Mechanism Design. All results of every region were then collected by World Bank facilitator, and then were consolidated into one Initial Draft of Dedicated Grant Funding Mechanism.

Based on the decision of FIP Sub-Committee, the fund allocation for this DGM was US \$ 50 million in total, allocated for program in the global and national level in 8 piloting countries of FIP, including Indonesia. From that total existed budget, Indonesia will receive US \$ 6 million.

In the FIP Sub-Committee meeting in Istanbul, Turkey, it was designed how this fund would be used and distributed. Hence, in the national level, it was needed to form National Steering Committee that would be in charge to direct the processes in the national level. Besides that, in the global level would be also performed the establishment of Global Steering Committee, where its members come from National Steering Committees. While these committees were not established yet, the process will be directed by Transitional Committee where its members in Indonesia are Mina Setra (AMAN) and Sungging Septivianto (member of DKN Community Chamber). A draft of Operational Guideline Document

has been prepared by the Transitional Committee and will be revised until April 2014. On the June 2013, World Bank announced about DGM officially and invited organizations that have interest to become Global Executing Agency as the executor for global component of DGM. While in the national level, it still on ongoing process.

While those things are still on process, then in the national level, there will be an organization/institution chosen to guard all these processes, until all these organizing completeness agencies of funding are ready to perform their role and function. That is why, for Indonesia, according to discussion between AMAN, DKN, and Department of Forestry, DKN will guard those processes. Several consultations and other technical activities were designed together with DKN, including the election process of National Steering Committee and National Executing Agency members.

After the explanation from Mina Setra, participants of the discussion listened to exposure from Sungging Septivianto, member of DKN Community Chamber. As member of Transitional Steering Committee, Sungging Septivianto explained the position of Transitional Steering Committee as the bridge over interests both in global and national level. The involvement of DKN in the discussion about either DGM or FIP will be only happen on November 2012, so in fact the guard was mostly done by AMAN.

Sungging admitted the existence of DGM is still like something in the wilderness. But on the internet, information about DGM is completely available, including the files that is already translated into Indonesian language. Furthermore, he expected that the explanation from Mina Setra above will be able to solve the gap of understanding about DGM in the community.

DKN Community Chamber will play role in facilitating the discussion process, they will facilitate the DGM until the standing National Steering Committee is established. After that, DKN will hand over the affairs to National Steering Committee and National Organizing Committee. Today, the meeting participants hope that the meeting is focusing to DGM, while several related questions concerning to DGM and FIP or will it becomes CSR FIP will be discussed on the next day meeting.

Sungging agreed with several ideas proposed by Noer Fauzi in the previous discussion session. All this time, natural resources management policy is still marginalizing the community. As

representative from Regional Java, Sungging rejects the assumption that natural resources management is the best one. He shows data that since the Reformation era (1998), there was more than 30 people killed and 70 people injured caused by the conflict of natural resources management, including forest.

For him, DGM gives opportunity for the community to improve their capability to solve the problem on their villages. Nevertheless, how the strategy to improve the capability of the community is still be a challenge so there are still lots efforts needed to translate it into existed mechanism. The unique of DGM is how big the participation from the community to formulate its implementation mechanism in the field. There is Steering Committee which is pure coming from the community, NGO element, government, academician, while the donors will only become observer. Sungging emphasizes that the implementation of DGM will completely depend on the community work itself.

After Sungging's explanation, Emile Kleden highlighted the previous discussion result that MK verdict has been giving base to the change of government treatment to the community, from criminalization object into become subject of policy stakeholder. Then, based on the explanation from this session spokespersons, in the global level there is already good precedent, that the international funding institutions confess the existence of indigenous community, as well as giving them opportunity to play roles.

Furthermore, several responses were given by the discussion participants. The first response came from Heni, the activist of AKSI. She questioned about what the consideration base of AMAN to receive FIP fund that initially comes from World Bank, especially since the number is big enough, about US \$ 6.5 million. Heni asked the committee work that has not distributed yet the original document of DGM to the participants who will join the group discussion.

After Heni, Surti from AMAN women gave response. She questioned about the work description of National Steering Committee and National Organizing Committee. Besides that, what kind of activities can be funded by DGM? Surti emphasized the women issue to become one of the working focuses of DGM because all this time, the women issues were often marginalized. Whereas, a lot of facts has showed that women pay big attention to forest compared to the men. Surti gave example about what has been done by Sedulur Sikep Group where the women group is very persistent in keeping their forest.

Indra Gunawan, the representative of Mentawai Community, West Sumatra, recognized DGM as new thing. He was still difficult to understand the management structure so he expected more detailed experience. For him, the structure will determine where part will have more power and what the base of they have more power. From that structure, we can also get the explanation about how the mechanism to control its policies.

Indra thought the government suffers from multiple personality disease in the forestry sector. The government often performs two opposite things in the same time. In one hand, they give freedom to the community and customary right recognition. But in the other hand, the forest concession (HPH) license is still going on, the concession and protected forest status is also not revoked.

Eliza from the Maluku indigenous community saw DGM like atonement. World Bank atones since everywhere there are projects funded by World Bank lead the indigenous community to be slaughtered. For him, DGM concerned to the money issue, so the discussion has to be focus to ensure that the grant distribution can reach the indigenous people.

Meanwhile, Oding Affandi thought that DGM becomes part of FIP. The discussion about DGM was just appearing on March 2013 and was not discussed yet and there was no final decision yet. FIP program itself has been protracted because there were debt funds inside it. Oding questioned about the spokespersons explanation about DGM as grant, what kind of grant does DGM included? He also gave suggestion about the importance of transparency in the DGM fund management because it is loose it can lead to conflict inter indigenous community. He emphasized DKN as multiparty institution, will prone to be shielded for certain parties interest related to FIP.

Mina Setra realized that misunderstanding often appeared related to the grant. AMAN did not get that grant. AMAN just got involved to prepare the institutional of National Steering Committee and executor institutions. The implementation of DGM will be determined by the work of Steering and Organizing Committee, both in national and global level.

According to him, all structures were not established yet, so it was difficult to explain the criteria, duty, and so on. Transitional Steering Committee has been designing all the requirements. Furthermore, the established National Steering Committee will prepare only the

regulations. The mechanism to decide what proposal will be granted and implemented together with the executor institutions. The women involvement is very important in DGM. Transitional Committee agreed to implement affirmative action, for example Steering Committee consists of 9 people, and then minimal 2 of them should be women.

Initially DGM will be submitted to the government. Then the issue became discussion topic in the indigenous community working network. Through a very tense discussion, DGM was finally decided to be directly managed by the community. Until recently, Transitional Committee is still making the Term of Reference (TOR) that describes the principles and authorities in DGM management.

Mina Setra emphasized that DGM rules were not made certain groups; they came all from the decision of regional level meeting. Public could access all documents resulted by working group through website. In this meeting, all DGM documents will be distributed for all participants, whereas he realized that the quality of the Indonesian language version documents were very bad, there were lots of mistakes in the translation process.

Based on the Istanbul meeting result, DGM was still run even though the FIP program in Indonesia was troubled. Both are managed in the divided administration. So DGM is purely a grant, no requirement. About the purgatory, World Bank is just the administrator; the donor countries are more contributing.

Meanwhile Sungging emphasized that DGM could not overcome the troubled licenses. The authority to revise license is belonging to the government. DKN has interest to push the implementation of DGM to become the community learning room so it will be able to support the improvement of natural resources management to be better and better.

Then it was continued with the second term of responses. Ewaldianson the representative of Central Kalimantan community viewed that there will be always gap between concept and its implementation in the field. He gave example that REDD is in theory good but its implementation in fact adds more troubles. Fund for REDD+ program in Kalimantan is much bigger, but the community plays role only as audience or sufferer group, never been touched.

Ewaldianson highlighted the work of Ministry of Forestry and National Forestry Council that was half heart in solving the problems. They

visited indigenous community, watched protected forest tilled by investor, met the community whose rights was deprived, and went away. It seemed just like come and go, but no implementation in the community level. He expected that DGM can become program that overcomes the problems. DGM will be able to help solving the problem at the basic level, improving program to prosper the community by seeing and solving problems.

Dodi from NTB appreciated the works of AMAN to attempt DGM into entering Indonesia. He asked about the possibility of DGM use for the policy advocacy activities, such as to support the Local Regulation on recognition of indigenous community rights and forest area management or just to finance the physical development like timber plantation. For him, the future duty of Steering Committee is to encourage the transparent fund management so the community will be able to access the grant.

To respond thing mentioned above, Mina Setra emphasized again that the beneficiary of DGM is indigenous people and local community. Later, there will be National Executor Body and National Steering Committee that will serve the fund management. To avoid inter-community conflict caused by DGM, then in its implementation there should be complaint mechanism, for example when there were two communities make proposal, the one of them is approved and the other isn't, then they can ask for explanation about that decision.

In the DGM management draft there will be regulated in detail the using of the fund, for example the community needs fund to build micro-hydro, to develop natural function and sustainable forest, timber and furniture management, etc. There will be a document that in detail regulating the activities can be funded. Mina Setra viewed that DGM is able to finance the policy advocacy, but the fund cannot be used to sue the government in the court.

Sungging Septivianto answered the response concerned to DKN works. For him, DKN is an independence institution in the form of multiparty forum. Ministry of Forestry is one of its elements. In the conflict resolution, DKN comes to community to get data. Then the data is processed into inputs for the government. If the government doesn't change, then the community has to keep questioning it. DKN will play role as facilitator for those conflicted inter-party. Access information becomes big concern of DKN. Therefore, DKN attempts to give

information for public through every possible way, such as through websites, short messages, as well as meetings.

Hereafter, Local Forestry Council (DKD) of Maluku suggested that the participants focus on the meeting's agenda. He expected that there will be categorization and main priority in the DGM management, for example in solving the tenure conflict. He opted to think positively, if there is good will from the donor countries then we have to response with the good will as well. The climate change issue has become general issue concerned by lots of parties.

Furthermore, Agus Kastanya, one of DKN Presidiums, recognized that the problem happened in the forest sector is not simple. Everybody has been demanded to think hard to find the way out. The problem of forest destruction is not an easy problem. After there was MK verdict, the opportunity for the community to play role is getting better. Whereas, because of that prolonged conflict, the efforts to build good communication became a difficult thing to do. The view of the community that keeps fettered by the poverty is surely different from the view of the government that never takes people side.

Therefore DKN needs to build alignment platform, for example the alignment for environment, preservation, and the community prosperous. That platform was transformed into scheme where forest has to keep preserved and community can enjoy its prosperous. He thought that the change was happened so fast so it needed one movement that is built together. FIP scheme has to be able to unite the interest of MKK verdict, KPH development, and to keep the forest preservation.

Also at that time, Juan, the delegation from World Bank gave also his words. He clarified several questions related to FIP mechanism in the global level. He explained that DGM is an independence program which has no intervention from World Bank. The guideline of its utilization is clear enough and prepared from the indigenous community itself. The donor institutions only become participant and observer. The funding source is not from World Bank but from donor countries which give their resources to climate change. World Bank is only as administrative trustee of the funding to be distributed to the community group.

All the DGM criteria should in accordance with culture upheld by the indigenous community. DGM was decided in the village meetings held by the community. But, the allocation of DGM funding is related to FIP that

is performed by Ministry of Forestry. DGM was utilized to do the capacity building and to improve the community livelihood so it can give contribution to investments managed by Ministry of Forestry. Inputs from the community through this meeting will influence the DGM implementation, either in local or national level. The most important thing from this meeting is there is work plan that was designed together by indigenous people and local community.

Why DKN was involved in this activity cannot be separated from the important position of this institution in the forestry sector policies. Ministry of Forestry particularly asked DKN to hold this event. Indonesia is one of the piloting countries so it is expected that Indonesia can give lessons learned to other countries.

The Asian Development Bank (ADB) side proposed the number of National Steering Committee members should be maximum 15. Institutions which become member of National Steering Committee cannot receive the fund.

Conclusion:

- Indigenous Community Group has interest to enter the regulation of UNDRIP and FPIC in the FIP implementation by entering FPIC clause as FPI consent, not as FPI consultation, that is generally used by World Bank.
- In the Policy Design III appeared particular chapter about FIP commitment to support the initiative of Indigenous People and Local Community concerned to Forest Management with the form of dedicated grant funding, that later known by the abbreviation of DGM (Dedicated Grant Mechanism).
- Decision from FIP Sub-Committee: fund allocation for this DGM is US \$ 50 million in total and allocated to this program in global and national level in 8 piloting countries including Indonesia. From that total existed budget, Indonesia will receive US \$ 6 million.
- Position of Transitional Steering Committee is as bridge over the interests in the global level as well as in the local level.

- The DKN Community Chamber will play role to facilitate the discussion process as well as to facilitate DGM until the standing National Steering Committee is established. After that, DKN will hand over the affairs to National Steering Committee (National SC) and National Organizing Committee (National OC).
- The DGM implementation leads big role to the community to formulate its implementation mechanism in the field. Steering Committee comes originally from the community, NGO elements, government, and academician, while donors will be only as observer.

E. DGM National Steering Committee Establishment

After lunch break, participants discussed about the preparation of National Steering Committee (National SC) establishment. Usep Setiawan, the discussion facilitator, explained the mechanism that will be conducted in the form of group discussion. He explained the materials that would be discussed in the groups, including what parties will be included in each group. The group distribution was considering the representation of region and gender. Every group has to elect two people to be their leader and secretary.

After 45 minutes of discussion, then in turns every group leader presented the result of their group discussion. Below is the result of the group discussion.

Group 1: Working Principles of DGM National Steering Committee (National SC)

Facilitator: Paramitha Iswari

- Accessible (easy to access), fast, low cost, and efficient.
- Participative (engage the community): full participation from indigenous people and local community group, including women and youth.
- Transparent (open): the whole process can be access by public.
- Independent (free from influence): the decision made is not influenced by MDB's, World Bank, national or global executor institutions.
- Accountable and fair: the whole actions and decisions made are accountable.

- Voluntary (appreciation for the time): there must be incentive for the work time compensation and operational cost.
- Efficient: efficient in works.
- Inclusive: in making the decision planning as well as evaluation has to be done collectively.

Group 2: Duties and Responsibilities of DGM National Steering Committee (National SC)

Facilitator: Sungging Septivianto

- Compiling the standard operational procedure of SCN DGM.
- Together with the National Organizing Committee compiling the annual work plan and budgeting portfolio.
- Together with the National Organizing Committee compiling the annual report on program implementation.
- Coordinating with the institutions concerned REDD+ in the national level.
- Actively asking feedbacks from the constituents of DKN Community Chamber concerned to DGM.
- Ensuring that the experience of DGM implementation is delivered in the establishment process of national policies and FIP as well as other parties.
- Representing DGM of Indonesia in the global level, as required.

Group 3: Roles and Authorities of DGM National Steering Committee (National SC)

Facilitator: Ita Natalia

Members of DGM National Steering Committee (National SC):

- Establishing Indonesian DGN National Organizing Committee.
- Becoming supervisor over the DGM implementation in Indonesia.
- Selecting and making decisions related to grant proposals from indigenous people and local community concerning DGM implementation.
- Facilitating dispute resolution concerning DGM implementation.

Members of active observer:

- Attending the DGM National Steering Committee meetings.
- Assisting to synergize this DGM process with FIP.
- Giving substantial inputs and DGM implementation strategy.
- Having right to speak, but does not have voting right in the decision making.

Notes:

- It is necessary to regulate the mechanism of decision making that put DKN Community Chamber in the monitoring, evaluation, and accountability.
- It is necessary to arrange the criteria of active observer members (government, NGOs, MDB's).

Group 4: Mechanism Structure and DGM National SC Work Procedures

Facilitator: Ruka Sombolinggi

DGM National SC structure consists of:

- 1 chairperson, 1 vice chairperson, 1 secretary, and 6 members.

Mechanism and work procedures of DGM National SC involve:

- Decision making through SC meeting that has to be attended by minimum $\frac{1}{2} + 1$ of National SC members.
- National SC meeting has to be held minimum one time a year.
- Proposal has to be sent to National SC secretary, and then has to be disseminated to all the National SC members; furthermore National SC has to give its views and/or its agreement over those proposals.
- A proposal will be declared as approved if it is agreed by minimum $\frac{1}{2} + 1$ of National SC members.

Note: It is necessary to compile in more intact the substance of structure, mechanism, and work procedures.

Group 5: Election Mechanism of DGM National SC

Facilitator: Yanes Balubun

- The number of DGM National SC is 9 persons with the composition of 7 members are from indigenous people and local community representation and 2 members are women (affirmative).
- Active observers (4 persons): 1 government, 1 MDB's, 1 NGO, 1 academician
- Election mechanism of DGM National SC is:
 1. SC members from the community are elected by the community.
 2. Observer from government is submitted to DKN Government Chamber.

3. Observer from NGO is submitted to DKN NGO Chamber.
 4. Observer from academician is submitted to Academician Chamber.
 5. Observer from MDB's is submitted to MDB's.
- Election mechanism/procedure:
 1. 9 members of National SC who represent region by considering the representation of indigenous people, local community, and women.
 - a. Every region proposes 1 candidate of National SC through region meeting: Sumatra, Java, Kalimantan, Bali – Nusa Tenggara, Sulawesi, Maluku, and Papua (7 persons).
 - b. For 2 women National SC members will be elected through national meeting of DKN Community Chamber attended by organization/individual who works for the indigenous people and local community.
 2. Criteria
 - a. National SC member candidate: had ever work or active in the forestry issue for minimum of 1 year, focus to indigenous people and local-national community, not civil servant, military, and public officials (members of parliament).
 - b. Observer candidate: had ever work or active in the forestry issue for minimum of 1 year.

F. Action Plan

This national meeting was also generating an action plan as follow up of the decision of Leo Imbiri, the coordinator of DKN Community Chamber who facilitated this meeting with the result as follow:

DGM Action Plan

| Agenda | Agreement | Time |
|--|---|---------------------------------|
| Finalization of the whole meeting result documents. | DKN secretariat | 1 month |
| Compiling action plan based on agreement in the national planning. | Person in charge: Community Chamber | |
| Election of SC members from community by region and active observer members. | Agreed, person in charge: DKN | Maximum 6 months from now |
| Position of academician as active observer. | Agreed implemented by DKN Academician Chamber | |

| | | |
|--|---|---------|
| Work period of DGM SC is following the time scheme of FIP and DGM. | Agreed | 3 years |
| The number of SC members is 7 persons representing regions where its mechanism is submitted to regions and 2 persons representing women that will be elected in the national meeting facilitated by DKN. | | |
| Establishment of drafting team to realize this meeting result. | Leader of group 1 – 5 together with SC and assisted by OC | 2 weeks |

G. Closing

The meeting was closed by the speech from Leo Imbiri as coordinator of DKN Community Chamber. Leo said thanks to all the participants of that national meeting who already joined the meeting for a full day. For him, the decisions made in this meeting are part of the efforts to improve the forestry management in Indonesia.

He officially closed the meeting event.
