Corruption Prevention in the Forestry Sector (CPFS)

Project name	Corruption Prevention in the Forestry Sector (CPFS)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Indonesia
Lead executing agency	Corruption Eradication Commission (KPK)
Duration	2022-2024

The challenge

Since its establishment in 2003, the Indonesian Corruption Eradication Commission (KPK) has gained high national and international reputation due to its impressive track record in the prosecuting of corruption cases. In 2003, the Indonesia's Corruption Perceptions Index (CPI) was 19 and in 2021, it has been increased into 38, on a scale from 0 (very corrupt) up to 100 (not corrupt).

Indonesia has some of the most extensive tropical forests in the world. Nevertheless, the systemic corruption that exists in Indonesia is considered to be the most important factor obstructing development. It is largely the poorer segments of the population who suffer these conditions. According to estimates produced by KPK, the converted costs of corruption within the forestry and mining sectors alone amount to approximately EUR 2 billion per year.

The forestry sector is an important source of public revenue in Indonesia. According to the Indonesian Ministry of Environment and Forestry, the total 'forest area' (*kawasan hutan*) is nearly 50% of Indonesia's land mass. More than half of the forest area is designated production forest (*hutan produksi*) that can be commercially used; the rest is protected forest (*hutan lindung*) and conservation forest (*hutan konservasi*), in almost equal shares. Each of these designations comes with further subcategories of use and with a plethora of different concessions and licenses.

SUSTAINABLE DEVELOPMENT GOALS — 5 GENDER EQUALITY · 15 LIFE ON LAND · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Papua and West Papua Provinces have the largest forest areas in Indonesia. Both Provinces governments have committed that at least 70% of the forest areas of both provinces should be maintained. However, due to a policy that focuses primarily on economic growth, the pressure on the remaining forest areas is high.

Furthermore, corruption has facilitated illegal logging and undermined sustainable allocation and use of land. This causes significant state losses. Corrupt forestry practices are often ignored or condoned. Furthermore, Indonesia's existing law enforcement mechanisms do not provide credible deterrents. Existing preventive measures against corruption are incomplete. The core problem is that state and non-state actors are not sufficiently capable of preventing corruption in the forestry sector.

As part of its reform agenda, the Indonesian Government has introduced measures that should lead to improved management of natural resources. The National Climate Change Plan (NDC) sets out specific climate targets for the forest. In January 2020, Indonesia released its first-ever sustainable development plan, the National Medium Term Development Plan (*Rencana Pembangunan Jangka Menengah* / RPJMN 2020-2024), which includes greenhouse gas emissions reduction as a key macro-economic indicator alongside GDP growth, poverty reduction and employment. According to data, 124 of the 169 sub-goals of the 2030 Agenda have been integrated into this plan and form the basis for a comprehensive alignment of the national development agenda with the global Sustainable Development Goals.

The project contributes to several thematic areas of the national development plan, most notably the contribution to the seventh thematic area, which aims to simplify access to justice and the anti-corruption system, as well as the political rights of citizens and Theme 1, which, among others, is dedicated to inclusive economic growth in the forestry sector.

Left: Launch of the Citizen Mobile Phone Application JAGA at the Anticorruption Day 2016 in Jakarta

Right: Worker in the rich forests of Indonesia.

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Objective

The effectiveness of corruption prevention in the forestry sector is strengthened.

Our approach

The target groups of this anticorruption project will be the population of the two pilot provinces Papua and West Papua. The project concentrates in three areas:

1. Analyzing laws and procedures, implementing international environmental and anticorruption standards, and improving the application of laws in coordination with the relevant directorates of the KPK and in collaboration with research institutes, national experts, and other international projects working to protect the rainforest and peatlands.
2. Supporting the capacity development of provincial and local state actors, whose tasks and duties are to administer and control the forest, streamline planning, mapping, and licensing procedures according to the law, and work with local communities to inform the local population about their economic chances and social rights.
3. Supporting the building and functioning of local forestry committees (LFC) in four pilot districts, consisting of all relevant state and non-state actors of forest administration, environmental development, and economic exploitation (multi-actor and multi-level approach based on local ownership).

Results achieved so far

GIZ has been cooperating with KPK since 2007 in the area of corruption prevention. The current project is building on previous cooperation results. Here are a few examples :

- With the assistance of an anonymous internet based KPK whistle-blower system (https://kws.kpk.go.id/), cases of corruption can be reported via the internet. Annually around 2,000 reports were received through the system
- The Anticorruption Learning Center (ACLC) has certified more than 2,000 anticorruption trainers from all over Indonesia and various sectors.
- In two partner provinces, action plans were adopted with local governments (under the Responsible Task Force known as the Korsupgah Action plan) to improve administration activities as well as digitalisation of government services and planning processes. This approach is now used by the KPK in 508 districts in all 34 provinces.
- The JAGA mobile app provides a variety of data on the provision of service, including in public schools and health centres, and data on licensing as well as village funds across several pilot regions is being collec¬ted, consolidated andmade accessible to the general public online. Currently, JAGA collects and shares information on 404,000 schools; 2,777 government hospitals; 10,051 health centres and 536 One Stop Service's profiles as well as 48,000 villages' pro-files system and have been used by more than 11 million people.