



A young plantation of *Eucalyptus globulus*, established on farmland in Australia's Green Triangle region. Partnerships between plantation companies and farmers can help to defuse land-use conflicts and provide an income for local communities. A research project involving CIFOR and partners in Indonesia and Australia is helping the two countries to learn from one another's experiences. (Photo by Hugh Stewart)

Unlocking the secret of good forestry partnerships

Establishing plantations is often a tricky business, even in countries which have plentiful supplies of land and the ideal climate and growing conditions. Take, for example, Indonesia, where just 2 million hectares of plantations have been established since 1985, instead of the 6 million hectares originally planned. This dramatic shortfall was partly a result of conflict between companies and local communities, with the former frequently taking over land the latter considered theirs by right. When you're planting vast numbers of trees, you need to make sure the locals are on your side.

Since 1998, some Indonesian companies have sought to defuse conflict by establishing partnerships with local communities. These have mostly taken the form of outgrower schemes, and they involve smallholders and communities growing and supplying timber to pulp mills and other users in return for a share of the benefits. Sometimes, the plantations are established on company land; sometimes they are established on land owned by the growers themselves. Either way, such schemes provide an income for local communities and a supply of timber for the companies. The precise nature

of the company/community partnerships varies from one place to another, and some have been more successful than others, although the reasons for this are often poorly understood.

'There is an urgent need for research which will provide communities, companies and governments with better information about the sort of arrangements that work best for both companies and communities,' explains CIFOR economist Ani Adiwinata Nawir. A three-year research programme, funded by the Australian Centre for International Agricultural Research (ACIAR), led by Indonesia's Forest Research and Development Agency (FORDA) and launched in Bogor in 2005, will provide new insights into the factors which favour fair and sustainable partnerships. The project members – FORDA, Australia's Charles Stuart University (CSU), WWF Indonesia's Nusa Tenggara programme and CIFOR – are now working with a wide range of farmer groups, government agencies and companies in eastern Indonesia and south east Australia.

In terms of their ecology and social systems, eastern Indonesia and south-east Australia are worlds apart, but they do have one thing in common: historically, farmers and village communities have not played an active role in commercial forestry. "This project is looking at ways in which forestry activities can be established beyond the areas where commercial forestry has traditionally been located," explains project leader Digby Race of CSU. "We believe that company/community partnerships could play an important role in expanding forestry activities into new areas, involving farmers as partners in commercial forestry."

The Indonesian research is focusing on Bulukumba district in Sulawesi and Sumbawa district in Nusa Tenggara. In Bulukumba, the research team is assessing three existing small-scale company/community partnerships. In Sumbawa, the project partners are working with local farmers to explore how current partnerships operate, and investigating marketing opportunities for timber grown by smallholders. 'We have also carried out a profit-sharing study,' explains

Nawir, 'and we have fed the results into a new district regulation on community-based forest management in Sumbawa.' Among other things, the regulation will provide guidelines for sharing profits between companies and communities.

The variety of partnership arrangements is much greater in Indonesia than in Australia. Company/community partnerships in the Green Triangle region, the focus for the Australian research, usually involve annual payments to growers for forestry companies to lease their land. However, this arrangement is unlikely to suit all landholders and Race believes there is the potential to attract far greater numbers by using different partnership arrangements which provide a range of incentives for growers. 'Indonesia is a very rich source of information for us,' explains

Race, 'and the experiences there could provide us with valuable information about the sorts of arrangements that could be applied here.'

At present, companies, government, communities and smallholders are often uncertain how to share the profits fairly, and how to share the risks. The researchers hope that this project will provide them with the analytical tools they need to work out what sort of partnerships work best in particular situations. The project is already building the research capacity of partner organisations such as FORDA and WWF, as well as that of District Forestry Service staff. Ultimately, it could lead to an increase in partnership schemes, and an increase in the area under plantations in regions where commercial forestry has previously made only a small contribution to rural livelihoods.

Indonesia's new forestry network



Since 2000, CIFOR has established good working relationships with a range of Indonesian companies that have entered into partnership schemes with local communities. CIFOR's research has focused in particular on how company/community partnerships can improve local livelihoods.

In January 2005, CIFOR hosted a communications forum which brought together private companies and representatives from the Ministry of Forestry, including the Social Forestry Working Group. At the meeting, the companies shared their experiences and identified the challenges they faced to make partnerships work more effectively. The meeting also led to the creation of a new communications forum, the Company Community Forest Link, or ComForLink. Members include major companies such as Riau Andalan Pulp and Paper (RAPP), Wirakarya Sakti (WKS), Arara Abadi and Finnantara Intiga.

During the course of the year, ComForLink met on eight occasions, mostly in Jakarta. ComForLink has provided a detailed analysis of the impact which government regulations have had on company/community partnerships, and regular meetings have been held with officials from the Ministry of Forestry. ComForLink has provided significant input into the formulation of two ministerial decrees, one concerning community industrial forestry plantations, the other utilisation rights on community forest lands.

'We're hoping that ComForLink will encourage the government to create a regulatory framework which is more conducive to establishing successful company/community partnerships,' explains Ani Adiwinata Nawir, who has facilitated the activities of the new forum. ComForLink has undoubtedly raised awareness about this important issue within the Ministry.

Creating partnerships which benefit both companies and communities is one of the aims of the new plantations communication forum, ComForLink. A WKS staff interacts with community members in Jambi, Indonesia. (Photo by Hari Witono, WKS)



Pristine landscapes like this provide a range of environmental services. Danau Sentarum National Park, Indonesia. (Photo by Yayan Indriatmoko)