

**RESPONDING TO CLIMATE CHANGE:
POLICY INTEGRATION AND THE INDONESIAN FORESTRY SECTOR**

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Abstract

Literature on the integration of cross-cutting issues, or policy integration, has given little attention to how policy-making processes allow for policy integration as well as present barriers. There is also little evidence of how sectoral ministries respond to crosscutting issues and in what way they are affected by pressure to address such issues, including those promoted by 'competing' agencies. Climate change presents a significant and important issue for integration into many areas of public policy. Many government ministries and departments are tasked with responding to climate change mitigation and adaptation objectives.

Forestry is a key sector in building a response to climate change and so an investigation into how policy-makers and policy-making processes have responded to climate change can shed light on the integration of cross-cutting issues. The thesis reports on investigation into how the Ministry of Forestry, Indonesia, has responded to climate change and into the organisational arrangements developed in the response to climate change.

The research developed an innovative framework for the analysis of policy integration, generating conclusions in relation to the policy process, organisational arrangements and the influence of key actors, including policy champions and boundary spanners.

Dedication

To

Lana, Gilang, Fachriza

and

My late Mom (Emih)

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Declaration

I declare that all the material contained in this thesis is my own work. Some parts of the thesis have been presented in two following conferences:

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Glossary of Terms and Abreviations

Terms and Abreviation	Definitions
AFD	Agence Française de Développement
AMAN	Aliansi Masyarakat Adat Nusantara (Indigenous People’s Alliance, NGO)
APBD	Anggaran Pendapatan dan Belanja Daerah (Regional Budget)
APBN	Anggaran Pendapatan dan Belanja Nasional (National Budget)
APL	Area Penggunaan Lain (Other Use Areas)
AusAID	Australian Agency for International Development
Bappenas	Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
BAU	Business As Usual
BPK	Badan Pemeriksa Keuangan (the National Audit Board)
BRG	Badan Restorasi Gambut (Peatland Restoration Agency)
BUK	Bina Usaha Kehutanan (Forestry Business Development)
BUR	Biennial Update Reports
CBFM	Community-based Forest Management
CDM	Clean Development Mechanism
CIFOR	Center for International Forestry Research
CITIES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COPs	Conference of Parties
DA	Demonstration Activities
Demplot	Demonstration Plot
DNPI	Dewan Nasional Perubahan Iklim (National Council on Climate Change)
DFID	(UK) Department for International Development
DKN	Dewan Kehutanan Nasional (National Forestry Council)
DPR	Dewan Perwakilan Rakyat (House of Representatives)
EU	The European Union
FAO	Food and Agriculture Organization
FCG	Forest Carbon Governance
FLEGT	Forest Law Enforcement Governance and Trade
FMU	Forest Management Unit
FORCLIME	Forest and Climate Change Programme
FPIC	Free Prior and Informed Consent
FWI	Forest Watch Indonesia
GBHN	The State Policy Guidance
GD	General Directorate
GFW	Global Forest Watch
GHG	Green-House Gases
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German’s Development Agency)
Gol	Government of Indonesia
GRK	Gas Rumah Kaca (GHG)

Ha	Hectare
HTI	Hutan Tanaman Industri (Industrial Plantation Forest)
ICCSR	Indonesian Climate Change Sectoral Roadmap
ICCTF	Indonesian Climate Change Trust Fund
ICRAF	World Agroforestry Centre
IFCA	Indonesian Forest Climate Alliance
IHPH	Iuran Hak Pengusahaan Hutan (Forest Utilization Right Fee)
IMF	International Monetary Fund
INC	Initial National Communication
IPB	Institut Pertanian Bogor (The Bogor Agricultural University)
IPCC	Inter-governmental Panel on Climate Change
ITTO	The International Tropical Timber Organization
JICA	Japan International Cooperation Agency
Kemenhut	Kementerian Kehutanan (Ministry of Forestry)
KfW	Kreditanstalt für Wiederaufbau (Banking group owned by Germany)
K/L	Kementerian dan Lembaga (Ministries and Agencies)
KPH	Kesatuan Pengelolaan Hutan (Forest Management Unit)
KPHK	Kesatuan Pengelolaan Hutan Konservasi (Conservation Forest Management Unit)
KPHL	Kesatuan Pengelolaan Hutan Lindung (Protected Forest Management Unit)
KPHP	Kesatuan Pengelolaan Hutan Produksi (Production Forest Management Unit)
KPK	Komisi Pemberantasan Korupsi (Corruption Eradication Commission)
KPPU	Komisi Pengawas Persaingan Usaha (Commission for the Supervision of Business Competition)
LAKIP	Laporan Akuntabilitas dan Kinerja Pemerintah (Government Accountability and Performance Report)
LKPP	Lembaga Kebijakan Pengadaan Barang/Jasa (the Procurement Agency)
LNS	Lembaga Non-Struktural (Non-structural institutions)
LPNK	Lembaga Pemerintah Non-Kementerian (Non-Ministry Institution)
LSM	Lembaga Swadaya Masyarakat (NGO)
LULUCF	Land Use, Land-Use Change and Forestry
LoI	Letter of Intent
Menpan	Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi (The Ministry of Bureaucratic Reform)
MoF	The Ministry of Forestry
MoE	The Ministry of Environment
MoEM	The Ministry of Energy and Mineral Resources
MoPW	The Ministry of Public Works
MoHA	The Ministry of Home Affairs
MoFi	The Ministry of Finance
MP3EI	Masterplan Percepatan dan Perluasan Pembangunan Ekonomi Indonesia (Masterplan for Acceleration and Expansion of Indonesian Economic Development)
MPR	Majelis Permusyawaratan Rakyat (People's Consultative Assembly)
MRV	Measurement, Reporting, Verification

NAMAs	Nationally Appropriate Mitigation Actions
NAP	National Action Plan
NFI	National Forest Inventory
NFMS	National Forest Monitoring System
NGO	Non-Governmental Organisation
NIPA	National Institute of Public Administration
Norad	Norwegian Agency for Development Cooperation
Permenhut	Peraturan Menteri Kehutanan (Forestry Minister's Regulation)
Perhutani	Perusahaan Hutan Negara Indonesia (State-owned Forestry Company)
Perpres	Peraturan Presiden (Presidential Regulation)
Perda	Peraturan Daerah (Regional Regulation)
PHKA	Perlindungan Hutan dan Konservasi Alam (Forest Protection and Natural Conservation)
Pokja	Kelompok Kerja (Working Group)
PP	Peraturan Pemerintah (Government Regulation)
PSDH	Provisi Sumber Daya Hutan (Forest Resources Fee)
Pusdiklat	Pusat Pendidikan dan Pelatihan (Training Centre)
Puspijak	Pusat Litbang Perubahan Iklim dan Kebijakan (Climate Change and Policy Research Centre)
Pustanling	Pusat Standarisasi dan Lingkungan (Standardisation and Environment Centre)
RAD GRK	Rencana Aksi Daerah Gas Rumah Kaca (Regional Action Plan on Green-House Gases)
RAN API	Rencana Aksi Nasional Adaptasi Perubahan Iklim (National Action Plan on Climate Change Adaptation)
RAN GRK	Rencana Aksi Nasional Gas Rumah Kaca (National Action Plan on Green-House Gases)
REDD+	Reducing Emission from Deforestation and Forest Degradation
Renstra	Rencana Strategis (Strategic Plan)
RKTN	Rencana Kehutanan Tingkat Nasional (National Forestry Plan)
RPI	Rencana Penelitian Induk (Research Master Plan)
RPJMD	Rencana Pembangunan Jangka Menengah Daerah (Regional Medium Term Development Plan)
RPJMN	Rencana Pembangunan Jangka Menengah Nasional (National Medium Term Development Plan)
RPJPN	Rencana Pembangunan Jangka Panjang Nasional (National Long Term Development Plan)
RTRWP	Rencana Tata Ruang Wilayah Provinsi (Provincial Spatial Plan)
SBY	Soesilo Bambang Yudhoyono (President of Indonesia, 2004-2009 and 2009-2014)
SFM	Sustainable Forest Management
SNC	Second National Communication
SRAP	Strategi dan Rencana Aksi Provinsi
Strada	Strategi Daerah (the REDD+ Local Strategy)
Stranas	Strategi Nasional (the REDD+ National Strategy)
TNMB	Taman Nasional Meru Betiri (National Park)
UKP4	Unit Kerja Presiden Bidang Pengawasan dan Pengendalian

	Pembangunan (the Presidential Working Unit for Supervision and Management of Development)
UN	The United Nations
UNDP	The United Nations Development Program
UNFCCC	The United Nations Framework on Climate Change Convention
UNFF	The United Nations Forum on Forestry
UN REDD	United Nations Reducing Emission from Deforestation and Forest Degradation
USAID	United States Agency for International Development
UU	Undang-Undang (Law)
UUD 1945	Undang-Undang Dasar 1945 (the 1945 Constitution)
Walhi	Wahana Lingkungan Hidup Indonesia (Friends of the Earth Indonesia, NGO)
WB	The World Bank
WTO	The World Trade Organization

Chapter 1 Introduction

1.1 Research Problem

This research has an overall purpose to contribute to an understanding of how policy integration can take place in sectoral policy making. The researcher sought to understand how a cross-cutting issue can be incorporated into sectoral policy making and the extent and implication as results of responding to such changes. This research is based on the following rationale.

Firstly, this research is informed by the postulation that climate change can be viewed as a cross-cutting issue. Climate change is inevitably occurring; this is not only scientifically established but also increasingly recognised and experienced by many sectors, this makes it a cross-cutting issue as it cuts across multiple sectors. It has put the global environment at risk through temperature increase, precipitation changes, sea-level rise, and more extreme weather events, as well as biodiversity loss that threaten human's life (see Stern, 2007). Such impacts have made climate change an issue that cuts across many sectors. Climate change is further observed to affect a number of socioeconomic-related sectors including energy (Edenhofer et al., 2011, Schaeffer et al., 2012), health (Haines et al., 2006, Shindell et al., 2012), agriculture (Fischer et al., 2005, Fischer et al., 2002, Parry et al., 2004), and forestry (Watson, 2000), among others.

The characteristic of cross-cutting issues can also be recognised by the governance at international level, where climate change issue has been addressed through a number of institutions, including conferences, conventions, agreements, schemes, world leaders forum, multi- and bilateral cooperation and so on (see Okereke et al., 2009, Yamin and Depledge,

2004). Most of these invite participation from both advanced and less-advanced countries. Those from advanced countries and donor institutions are encouraged to provide financial and non-financial resources to the more vulnerable and most affected countries. The extent and nature of the threat of climate change has led to the development of many bilateral and multi-lateral funds available to developing countries. There are two main responses to climate change—and that specific provision of aid or funds often focus on one of these approaches, namely mitigation and adaptation (Klein et al., 2005). In this regard, climate change issue has been relatively institutionalised by international regime and addressed by majority of countries. United Nations, World Bank, and EU are among institutions promoting climate change policy in both international and national jurisdictions. It is also well documented in many policy arrangements. UNFCCC, Kyoto Protocol and series of Conferences of Parties (COPs)¹ are major international arrangements in addressing climate change.

Secondly, having noted that climate change can be considered to be a cross-cutting issue, it must be further noted that cross-cutting issues are hard for governments to effectively deal with. Governments have tried different approaches, including various organisational arrangements, such as setting up inter-ministerial groups, newly established ad-hoc institutions and other approaches (Indrarto et al., 2012, Resosudarmo et al., 2013, Nunan et al., 2012). These efforts do not always meet with success. The arrangements for addressing climate change are more complex than addressing one sectoral issue at national level.

¹ UNFCCC or United Nations Framework Convention on Climate Change is an international treaty created during the Earth Summit in Rio de Janeiro in 1992.

Kyoto Protocol is a following international treaty that sets binding obligations on developed countries to reduce carbon emissions.

COPs is a series of conferences held periodically to assess any progress in dealing with climate change.

Thirdly, in addition, the literature on how policy-making takes place is almost silent on policy integration, so it is not clear how sectoral policy-making responds to cross-cutting issues. Although there is little literature on policy integration in policy-related theory, the literature does indeed address policy integration, or at least approach the term with related concepts, such as policy coherence, cross-cutting policy making, and policy coordination. These concepts offer insights of how policy integration can be best understood. Peters (1998), for example, has provided an insightful perspective of how administrative narratives should approach coordination. Peters (1998: 296) argues that coordination is "... an end-state in which the policies and programmes of government are characterized by minimal redundancy, incoherence and lacunae". Other related concepts, such as inter-governmental management (Agranoff, 1986), or holistic government (6, 1997, Leat et al., 1999, Wilkinson and Appelbee, 1999) and collaboration (Gray, 1989, Huxham, 1996), address issues that cut across multiple levels of governance and thus encourage an integrated approach in dealing with the issue.

Lastly, in the developing world, integrating policy may face a number of challenges and contextual problems. The effort of climate change mitigation is particularly associated with reducing deforestation. The forestry sector is having to incorporate climate change concerns and objectives into policy and practice. The issues are often linked to various sectors and dimensions, from poverty or sustainable development issues (Banuri, 2009, Stern, 2007, Brundtland, 1987), social vulnerability (Adger, 1999, Bohle et al., 1994) to biodiversity loss (Change and Watson, 2002, Lovejoy, 2008, Singh et al., 2014). Addressing these issues clearly needs a more integrated approach involving wider and expanded sectors, rather than a more fragmented approach within a single sector. In essence, climate

change has become an issue that goes beyond one particular sector (see Stern, 2007, Bappenas, 2010, Nilsson and Nilsson, 2005).

Moreover, it becomes a major challenge and a necessity for policy-makers to address climate change in policy-making at all levels (Urwin and Jordan, 2008, Nilsson and Nilsson, 2005). This also makes climate change an issue that cuts across various sectors and results in the issue being a common policy agenda item for multiple sectors (McCarthy, 2001, Stern, 2007).

As a cross-cutting issue, climate change needs to be integrated into sectoral policy. Different arrangements have been set up within governments to enable integration. Yet different meanings and perceptions of policy integration within an organisation could lead to different arrangements and changes. This research sought the meaning of climate policy integration within the sector of forestry in Indonesia, and subsequently examined the organisational arrangement as a response to policy integration.

There are some challenges that may enable or impede the process of integrating crosscutting issues into sectoral policy. The impetus for integration largely derives from political commitment in agenda setting (Lafferty and Hovden, 2003). The first factor that enables integration to happen is to put the issue into political agenda (Levy, 1992, Lenschow, 2002, Jordan and Lenschow, 2008). In addition, studies on (environmental) policy integration at the EU level and in specific countries such as Germany, Norway, Sweden, UK, USA, and Australia, not only emphasise funding issues but also how to cope with multilevel problems and institutional bottlenecks (Lenschow, 2002, Jordan and Lenschow, 2008). In recent studies, developing countries have also found it difficult to address climate change through policy, not only due to struggling to establish appropriate climate change institutional arrangements, but also dealing with other pressing issues such as poverty,

health and so on (Held et al., 2013). Thus, putting a cross-cutting issue onto a sector's priority list could be challenging to realise, as different sectors have different interests and goals. The rearrangement of resources and the interruption of achieving existing organisational goals are consequences that may occur.

In addition, institutional capacity may be problematic. A strong institutional capacity is required to tackle changes that affect organisation. This institutional capacity includes administrative instruments, budgeting, development strategies and policy appraisal and strategic assessment which play important role in successful integration (Jordan and Lenschow, 2008). Finally, the number, size, and structure of organisations involved matters, particularly when it comes to co-operation and coordination between organisations. Larger organisations or sectors may not have willingness to cooperate with their smaller counterparts due to their rigidity and rules conformity (see Gore, 1993, Pandey and Moynihan, 2005).

There are, then, multiple challenges and opportunities that face the integration of cross-cutting issues in sectoral policy-making. This research investigates the challenges for integration of climate change in the sectoral policy area of forestry in Indonesia, examining the influence of the organisational arrangements as well as a range of enabling factors and constraints.

1.2 Why Indonesia?

This section sets out the reasons why Indonesia, particularly the forestry sector, was selected as the case study in this research. The forestry sector in Indonesia is the key sector to address climate change in the country, in which deforestation and forest degradation have been allegedly the main source of carbon emissions. Deforestation and forest

degradation are happening for several reasons, partly due to mismanagement of forest governance itself, such as financial management (see Barr et al., 2010), political economic factors (Barr and Sayer, 2012), as well as institutional influences at national and local level (Barr, 2006, Moeliono and Limberg, 2012).

Indonesia was selected for this research because it provides a valuable study case in the area of climate policy integration studies in many respects. Firstly, the country is acknowledged to be one of the largest carbon emitters in the world due² mainly from the forestry sector, regardless that there is no agreement on how large the emissions emitted are compared to other countries (Resosudarmo et al., 2009).

Secondly, whilst being responsible for contributing to global climate change, the country is actually among the most vulnerable ones in the world affected by climate change, particularly when it comes to the threat of sea-level rise to the coastal zone (Measey, 2010, McGranahan et al., 2007) threats of forest and marine biodiversity (Carpenter et al., 2008, Grainger et al., 2009, Sodhi et al., 2004), as well as the loss of economic and development benefit (Adams, 1989, Naylor et al., 2007, Parry et al., 2004).

Thirdly, the climate and particularly forest governance in Indonesia presents a fuzzy mixture rather than a well-coordinated arrangement (Butt et al., 2015, Kanowski et al., 2011). There are various ministries and agencies in charge of forestry-related and land-based sectors. The Ministry of Forestry (MoF) serves as one of the leading institutions in climate policy due to dominant role of forestry sector in carbon emissions, contrasted with other established institutions such as Reducing Emissions from Deforestation and Forest Degradation (REDD+) Agency, National Council on Climate Change (DNPI), and other direct

² According to the World Bank 2008, Indonesia is ranked the third largest emitter after US and China, but the recent report from WRI 2013 suggest that Indonesia is coming down to the fifth largest after US, China, EU, and Brazil

and indirect competing ministries e.g. Ministry of Environment, Ministry of Agriculture, National Planning Agency and Ministry of Finance (Resosudarmo et al., 2013). The situation could be more problematic when it comes to issues of transparency and accountability (Barr et al., 2010, Dermawan et al., 2006). This is partly because both transparency and accountability is hard to enforce in such arrangement, where a sectoral ministry is considered higher and more powerful than other ministries. In addition, decentralisation context has also to be taken into consideration in shaping the country's forest governance, transparency and accountability (Djogo and Syaf, 2004, Kadjatmiko, 2008, Moeliono and Limberg, 2012). In brief, policy-making in the forestry sector, is among those affected by this international agenda. Therefore, MoF's policy-making is taken as a case study to represent the major picture of climate policy integration at the national level and to examine the subsequent organisational arrangements.

Lastly, the GoI has put a lot of effort into addressing climate change, one of which is through its development planning and major related policies. The integration of environmental and forest-related issues into national policy making has been made in early stage of development planning cycle. In the policy document of Long-Term National Development Planning (so-called RPJPN 2005-2025), concerns about environment and climate change have been emphasised explicitly, particularly in its Mid-Term National Development Planning (so-called RPJMN 2010-2014). Both documents are the obligatory sources for ministries in central government and local governments in provincial and regent/city levels to formulate any policy within their respective planning. In terms of environment, for instance, the targets that should be achieved within this mid-term period of 2010-2014 development were to improve the environmental quality and the management of natural resources in cities and remote areas, to reduce environmental

destruction and to enhance the environmental resilience and capacity, to enhance climate change mitigation and adaptation capacity and to establish afforestation, reforestation programme and carbon emission reduction (p. 44). Explicit attention to mitigate climate change in relation to forestry sector was shown as follows:

In addressing global warming in order to keep development sustainable, in 2009, government pledged to reduce greenhouse gas emissions with 26%, and up to 41% with foreign assistance by 2020. Forestry, peat lands, waste and energy are the main focus in favour with other policies in many sectors (p. 45)

This is in agreement with (FAO, 2011) that emphasises the sustainable activities of climate change and forestry as follows:

The sustainability of climate change and forestry activities will depend on a number of factors, including effective forest governance, secure forest carbon tenure and equitable benefit sharing, and integration of adaptation actions into climate change policies and projects, among others.

Following this commitment to forestry and climate change, the government of Indonesia (GoI) allocated budget for addressing climate change in its development planning 2010-2014 as shown in Table 1.

Table 1 Budget Allocation for Addressing Climate Change 2010-2014

No	Activity Group	RPJM (IDR Billion)
1	Climate Change Adaptation	68,371.42
2	Climate Change Mitigation	37,899.01
3	Supporting Activities	4,049.90
Total		110,270.37

Source: RPJMN 2010-2014

The deforestation issue and particularly addressing climate change and its impact have also been included in three sectors out of eleven national development priorities. This

policy document has shown the intention of the development direction to adopt environmental concerns, particularly climate change issue and forestry sector. To give a more concrete direction, the document explicitly mentions sustainable development mainstreaming and set climate change as a cross-sectoral working plan and policy. From the document above, sustainable development mainstreaming is used explicitly, instead of climate mainstreaming.

On the other hand, on many occasions, the National Development Planning Agency (Bappenas) has promoted the term 'climate change adaptation mainstreaming' rather than 'sustainable development'³. In this regard, the government seemingly intends to balance the national economic goals with environment and social goals simultaneously. Nevertheless the concept of sustainable development and climate change have been linked together in a similar context (FAO, 2011, Jordan and Lenschow, 2008).

1.3 Aims and Objectives of the Study

The study aimed to observe the influence of a cross-cutting issue on sectoral policy making in any level of organisation, drawing on the MoF in Indonesia, and to analyse the subsequent policy making and organisational arrangements that respond to such influence.

The specific objectives of the study can be listed as follows:

1. To observe the meaning of climate policy integration within the forestry sector, at all levels of organisation: strategic, managerial and tactical levels.
2. To identify the organisational arrangement of climate policy integration.

³ Murniningtyas at the Workshop on Mainstreaming Climate Change Adaptation into Development Agenda, Bogor 23 October 2012

1.4 Research Questions

Given the breadth and complexity of the climate change agenda, and national and international issues on forestry sector, the researcher narrowed down the focus of the research on changes in central government policy-making and organisation, particularly at ministerial level in responding to climate policy.

The study primarily focuses on how governmental organisations, particularly forest-related institutions at the national level, respond to climate change through policy integration. Therefore, the overarching questions the research addresses are:

1. How does a cross-cutting issue influence sectoral policy making?
2. How has the Ministry of Forestry in Indonesia responded to the climate change agenda and how has climate change policy affected forestry policy and policy-making?

These questions present different perspectives from strategic, managerial and tactical understanding of climate policy integration from within sector and external views from stakeholders which share similar interest in climate and forest issues.

1.5 Research Design and Methodology

This section briefly explains the research design and methodology that was employed throughout the research, including data collection, analysis and findings interpretation.

This research uses a case study approach in order to have particular understanding of specific case that represents the entire discussion of the topic. The case study of Indonesian forestry sector responding to climate change agenda, especially within the period of SBY administration from 2009 – 2014, was selected for this research. As the research questions are phrased to ask “how”, the research employs a qualitative approach (Silverman, 2011), as the focus of qualitative research is to understand, explain, discover

and clarify situation, feelings, perceptions, attitudes, values, beliefs and expertise of a group of people (Bryman, 2012, Kumar, 2011).

Since qualitative research relies more on words rather than numbers (Silverman, 2011, Bryman, 2012), an interview method is largely employed in collecting data in this research. Key informants were chosen from the related ministry who holds strategic position in forestry sectoral policy making process, particularly those in charge of addressing the climate change agenda within the sector. Policy stakeholders from other institutions beyond the ministry who are often involved in the policy making process are also included. The qualitative approach was chosen primarily based on the consideration that policy making process in the country could not be captured well through a quantitative approach. This is because qualitative data is more appropriate as a policy making process in reality is a complex situation that involves unmeasurable attitudes of institutions and actors.

Even though the research focuses on national level policy making, to enrich the findings interviews were also conducted at the sub national level, especially in the region where a number of REDD+ projects and climate change-related activities were underway under the supervision of the MoF. The detail of these key informants and methodology are discussed in chapter 4.

1.6 Defining Cross-cutting Issues and Policy Integration

Having decided to conduct research that aims to answer the questions on policy integration of climate change into forestry sector, the research arrived at two key concepts that serve as the backbone of the research i.e. cross-cutting issue and policy integration. The two are clearly different from each other but seemingly cannot be separated in the context of the research. Meijers and Stead (2004) argue that “policy integration” concerns the

management of “cross-cutting issues” in policy making, and thus the two terms are interrelated. This section clarifies the meaning of the term cross-cutting issue, and what constitutes policy integration.

1.6.1 Cross-cutting Issues

Cross-cutting issues have been discussed in a much literature and studies. Yet the understanding of the term may vary from one to another. It may largely relate to governance context (see Osborne and McLaughlin, 2004, Brinkerhoff, 2005) where sectors are involved at multiple level of governance, or simply refer to political issues (Mutz, 2002, Mutz and Mondak, 2006). Other sources correspond cross-cutting issue to the idea of joined up government (see Kavanagh and Richards, 2001, Ling, 2002, Wilkins, 2002, Pollitt, 2003). Interestingly, the term can often be found in many development reports from international organisations like ODI, UNDP, World Bank. It frequently relates to developmental issues that cut across many sectors in developing countries.

In relation to governance context, a number of studies, reports and areas of literature suggest the importance of government in dealing with cross-cutting issues (Peters, 1998, Parsons and Weber, 2011, Change, 2006, Yaron and White, 2002), such as poverty (Whiteside, 2002, Gillespie et al., 2007), gender and the economy (Blumberg, 1991, Apple, 1988) or global security (Brinkerhoff, 2005). These areas of literature indicate the increasing need to address cross-cutting policy issues that go beyond its traditional sector. This is because the issue cuts across various sectors not only in a horizontal but also vertical

manner. In essence, a cross-cutting or cross-sectoral⁴ issue is an issue that has a particular impact on more than one sector, is promoted to multiple sectors and thus such sectors are inevitably encouraged to address the issue within the sector.

However, Cabinet Office guidance states that:

Cross-cutting approaches are no panacea. They have costs as well as benefits.... It is necessary to weigh up the costs and benefits of a cross-cutting approach with the costs and benefits of more traditional vertical structures. A cross-cutting approach should only be implemented if it is likely to offer significantly greater net benefits than the alternatives, i.e. add value (Crown, 2000)⁵

This statement is understandable since cross-cutting policies have more stakeholders, are harder to monitor and evaluate; they run greater risks of failure and communication breakdown. In a simple definition, cross-cutting issues can be commonly understood as issues that by their very nature intersect with more than one sector and have a strong impact on the intersected sectors. In other words, cross-cutting issues are those which cross sectoral boundaries and do not necessarily correspond to the institutional responsibilities of individual sectors (see Meijers and Stead, 2004).

In addition, according to OECD (1996), a cross-cutting issue has characteristics of largely unprecedented, outstripping conventional patterns of thought, requiring organisational support that transcends institutionally defined policy fields and increasing the need to integrate rather than merely coordinate.

From this brief review of what a cross-cutting issue is, for the purpose of the research, it can be understood that the term should meet at least three criteria i.e. firstly, it

⁴ The term 'cross-cutting' and 'cross-sectoral' are usually used interchangeably in vast literatures with no significant distinction between them, as both appear to indicate a single issue addressed by involving wider or different policy sectors

⁵ Wiring it Up: Whitehall's Management of Cross-Cutting policies and Services. Cabinet Office 2000

<http://www.communities.gov.uk/archived/generalcontent/localgovernment/crosscuttingissuesaffecting/>

cuts cross across sectors in horizontal manner, secondly it has particular impact(s) on such affected sectors because of its unprecedentedness, thirdly it does not necessarily correspond to sectoral goals, and lastly it is governed by certain level of governance (organisational) across other affected sectors.

1.6.2 Policy Integration

Having discussed the term cross-cutting issue, policy integration, on the other hand, is a direct consequence of the presence of a cross-cutting issue. This section aims to clarify what policy integration means as an introductory definition that is used throughout the research.

Before determining the definition of policy integration, the researcher examined some key concepts or disciplines addressing it, criteria defined by scholars and proposed definitions. Indeed there are few literatures addressing policy integration using different concepts, although they are not necessarily synonymous but can be associated with each other. To name a few: policy coordination (Challis et al., 1994, Miller and Salmon, 1985), joined-up policy (Turnpenny, 2004, Riddell and Tett, 2001), joined-up government (Bogdanor, 2005, Pollitt, 2003, Klievink and Janssen, 2009), and holistic government (6, 1997, Wilkinson and Appelbee, 1999). In a simplistic portrayal, these can be seen as creating a continuum from policy to organisational arrangements, where policy integration can take place (6, 2004).

Another way to understand policy integration is how cross-cutting issues are managed in a policy making process in a sector. In relation to this, there have been increasing calls for greater policy integration from a number of different areas, as policy issues become more cross-cutting than they used to be (Meijers and Stead, 2004, Peters, 1998). So, this is a question of how policy integration can take place in a sector. When it

comes to how policy is incorporated into different sectors, it brings about, to some extent, co-operation and coordination between different sectors. Apart from that, the most noticeable reasons for why policy integration needs to be achieved is because it has been increasingly acknowledged that a single policy issue can no longer be addressed successfully by a single sector, rather it involves a number of other sectors. From a policy-making and organisational point of view, policy integration can be framed through group interaction or networks (John, 2012, Sabatier, 2009, Howlett et al., 2009).

In addition to the discussion on integrated policy, Underdal (1980: 159), based on his study on marine policy, wrote that integrated policy refers to a policy where the constituent elements are brought together and made subjects to a single, unifying conception. This defines characteristics of what constitutes policy integration. There are, at least, three required characteristics that have to be satisfied in order to have policy integration in place, namely:

1. **Comprehensiveness.** It is used in the input stage, covering space, time, actors and issues. This is the first characteristic that ensure any in-line and conflicting interests are covered and adjusted.
2. **Consistency.** This refers to uniformity and compatibility between different sectors. This is to ensure those engaged in policy making process are in agreement to achieve particular agreed goals.
3. **Aggregation.** This refers to sum-perspective of weighing costs and benefits of integrating various policy objectives, as an overarching criterion used to evaluate different policy elements.

Another term that has sometimes been used as an alternative to integration is 'mainstreaming'. This term can be readily found in many development planning documents

and reports such as those from Bappenas, UNDP and World Bank. Mainstreaming refers to the integration of policy considerations into core institutional thinking with other policies and related activities, as well as to coordination and harmonization, to ensure policy coherence (UNDP, 2004). Similarly, the World Commission on Environment and Development (WCED) defines policy integration as [sectoral] consideration taken into account, particularly in policy making process (see Lenschow, 2002, Jordan and Lenschow, 2008, Urwin and Jordan, 2008, Brundtland, 1987). A more straightforward definition is given by Meijers and Stead (2004), who argue that policy integration concerns cross-cutting issue management in policy making that transcends boundaries of established policies.

From the discussion above, the researcher raised a number of key words such as coherence, comprehensiveness, inclusion and incorporation which have similar ideas to integration. The research, therefore, sets the definition of policy integration as the recognition of a cross-cutting issue by a certain sector which could be taken into consideration in a policy making process, and finally incorporated into daily organisational activities by sectors from all levels of government institutions to achieve both sectoral and cross-cutting goals.

1.7 Thesis Structure

The thesis is structured and divided into eight chapters, as follows:

1. **Chapter 1 Introduction**, sets the scene and initial thinking of the research topic and, in addition, presents the context of the study which helps to understand the basis as well as the need for conducting this study. The research questions and methodology are also briefly stated.

2. **Chapter 2 Climate Governance and Forest Policy Making in Indonesia: A Background**, explains Indonesia's policy making context of addressing climate change agenda particularly within forestry sectoral policy and governance. The chapter elaborates problems of forests, related government policies, and organisational arrangements in forestry sector in relation to climate change.
3. **Chapter 3 Literature Review**, reviews relevant theoretical backgrounds and models of policy making for the study. The chapter discusses how policy making perspectives in general address policy integration and organisational arrangements in relation to policy integration. From the reviewed literature, opportunities and barriers to policy integration are identified, from which an analytical framework is developed.
4. **Chapter 4 Research Design and Methodology**, outlines the main philosophical thinking from ontological and epistemological positions that shape the analytical framework of the research. The design of the research is explained and the process of setting up and conducting interviews explained.
5. **Chapter 5 Policy Making in Forestry Sector**, presents findings, analyses collected data, and structures the analysis to answer the first research question. The chapter discusses the findings related to the policy making process, in particular those that contribute to policy integration such as issue competition, diversity of interests and the complexity of policy system.
6. **Chapter 6 Organisational Arrangements**, discusses organisational arrangements within the Indonesian forestry sector, conducted at nearly all level of organisational positions as well as organisations beyond ministerial organisational setting, as a response to climate change agenda.

7. **Chapter 7 Actor-related, Enabling Factors and Constraints**, identifies and discusses findings on champions and boundary spanners, as well as those related to factors that enable and hinder policy integration in the sector. These factors are identified and analysed from both primary data and literature.
8. **Chapter 8 Conclusion**, brings together the results of the research. The contributions of the research are identified. Limitations of the study as well as further suggested areas of research are presented too. Lastly, an overview of the administration from mid-2014 is provided to update the policy and organisational context of climate change policies and responses in Indonesia.

A number of supporting documents that were used throughout the research are attached as appendices to the thesis as the integral parts of the research.

Chapter 2 Climate Governance and Forest Policy Making in Indonesia: A Background

2.1 Introduction

This chapter presents background information on the Indonesian forestry sector and its policy structure in relation to the climate change agenda and forestry governance. This chapter provides a background to the current Indonesian forestry sector in terms of governance and policies as well as the associated government sector of environment.

Section 2.2 describes the Indonesian forest cover and the state of deforestation, that includes the state of forest cover, deforestation and forest degradation, as well as the drivers of deforestation.

Section 2.3 discusses the governance and policy context of the forestry sector, including the development of forestry-related policies, as well as organisational arrangements at international, national and local levels.

Section 2.4 introduces the environment sector as this sector is frequently associated with the forestry sector and climate change. The section also describes the development of climate change policy at national level.

2.2 Forest Cover and Deforestation

The forestry sector is strongly associated with climate change for two reasons: forests are a source of carbon dioxide emissions through deforestation and forest degradation and, at the same time, serve as a carbon sink. Other than that, the forestry sector contributes to socio-economic situation of forest dependent people, as well as biodiversity and agriculture

(see Measey, 2010, Adger, 1999, Agrawala and Van Aalst, 2008, Fischer et al., 2002, Lovejoy, 2008). Compared to other sectors, such functions make the forestry sector in Indonesia central to addressing climate change, including both mitigation and adaptation efforts.

The country remains the largest GHG emitting country from forestry/land use change (Posner and Weisbach, 2010, World-Bank, 2010, Baumert et al., 2005). While major emitters commonly release carbon from industrial processes and energy consumption, Indonesia emits 80 to 85% of its greenhouse gas from deforestation or the destruction of peat land (MoE, 2010, Frings, 2011). This is a unique pattern of emission compared to other countries. The loss of forest area in all major islands, according to the World Bank (2010), which includes 10 provinces in the country or 78% of dry forest loss and 96% of swamp forest loss, is alarming as the past and current national development still heavily depends on the forestry sector. Riau, Central Kalimantan and South Sumatra alone account for over half of all forest degradation and loss. Most deforestation and fire losses occur in big islands like Sumatera and Kalimantan (World-Bank, 2010).

2.2.1 Forestry Sector in Indonesia

More than 70% of Indonesia's entire landmass comes under the purview of the Ministry of Forestry (Indrarto et al., 2012). Indonesian forest area is legally determined by the Ministry of Forestry (MoF) in the form of a ministerial decree. In light of this, the MoF, in conjunction with the Forestry Law 41 Year 1999, has applied the following definition of forest area (*kawasan hutan*) which includes conservation, protected and production forests:

1. Conservation Forest refers to forest areas with the characteristic of being mainly concerned with conserving biodiversity and ecosystems.

2. Protected Forest refers to forest areas with the main function of protecting life, acting as a buffer system in water management, preventing floods, erosion and brine water intrusion and maintaining land fertility.
3. Production Forest refers to forest areas whose main function is to yield forest products. The production forest category is classified as permanent production forest, limited production forest and convertible production forest.

The designation of forest area also comprises forests in water, coastal, and marine ecosystems. Forest area is basically determined and/or designated by the government to be permanent forest (MoA, 2011). As a result, the size of forest area recorded in the MoF is 131,279,115.98 ha, or approximately 36 million ha larger than FAO's data which estimates approximately 94,432,000 ha (FAO, 2006). This difference is due to different definitions being applied by the MoF and the FAO.

Based on the FAO standard (FAO, 2006), countries with a forest cover above 40% fall into the high forest cover category. This means that Indonesia was still among the high forest cover countries at that time, although suffers from high deforestation rates (defined as more than 0.5%). Meanwhile in Asia-Pacific region alone, Indonesia with China, Australia, India and Myanmar possess the largest forested area which accounts for 74% of the total forest in the region (FAO, 2011). Given the fact that Indonesia is among the largest countries, in terms of size, the level of deforestation in the country means that the country significantly contributes to global climate change. Thus there is a priority need to conserve forests for Indonesia and other forest-covered countries.

2.2.2 Deforestation and Forest Degradation

Indonesia has been experiencing a high rate of deforestation for a long time. The loss of forest area in all major islands is threatening the sustainability of forest as the past and current national development still heavily depends on the forestry sector. To demonstrate the significance of the loss of Indonesian forest, in late 19th century the country was still densely forested, with various species of trees covering an estimated 80 – 95% of the total land area, at about 170 million ha. It is reported that in 1950 nearly 84% of Indonesia's land area was covered in primary and secondary forest and plantations of such estate crops as tea, coffee, and rubber (Matthews, 2002), and up to the 1960s the forest cover was still up to 77% (Frings, 2011). Throughout the following 50 years, due to forest-intensive development promoted by the Government of Indonesia (GoI), the forest cover fell to only half of the previous. This is mainly due to human and industrial activities such as land conversion and timber extraction which is accelerating from 1 million ha per year in 1980s to 1.7 million in the first part of 1990s (Measey, 2010), and increasing to 2 million ha per year from 1996 (Matthews, 2002). In 1990, Indonesia's forest covered close to 65% of the total land area. By 2006, forests covered only 48% of the total land area (Measey, 2010). The latter figure reported by FAO (2006) showing that during 2000 – 2005 the deforestation rate in Indonesia fell to 1.9 million ha per year.

Hence the rate of deforestation has changed over time.. An official publication from the MoF shows that there were 832,126.9 ha of forest across the country being deforested during period of 2009 – 2010 (MoF, 2010). FAO (2011) shows that annual rate of deforestation estimation from 2000 – 2010 fell to 0.5 million ha / year.

The trend of deforestation is predicted to continue decreasing until 2030 according to Modis & Landsat (Norad, 2011). While the deforestation rate of the country has shown some improvement, challenges, such as economic development and major policies that do not favour forest protection and conservation, remain threatening. The following timeline and picture of deforestation of the country in a broader range of data is presented by combining different types of data from MoF, as shown in Figure 1 below.

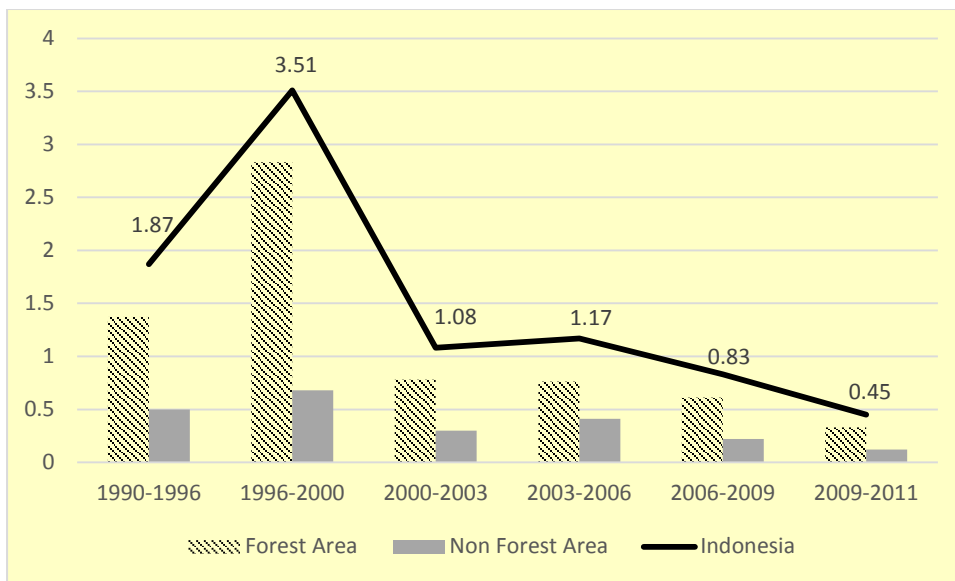


Figure 1 Deforestation in Forest Area and Non Forest Area (in Million Ha)

Source: Adapted from MoF (2011)

Whilst loss of forest area is of great concern, peatland degradation actually releases more carbon to atmosphere than forest does. Peatland cover around 3% of the globe, but store one-third of the total global soil carbon⁶. In the case of Indonesia, forestry and peatland are linked not only under the coverage of forestry sector but also both are major contributors to total national carbon emissions.

⁶ Fact sheet Norway-Indonesia REDD+, 2012

There are roughly 22 million ha of peatlands located in Indonesia, which equals 5% of the global peatland area⁷. Meanwhile the official data from Agriculture Ministry shows that the size of peatland in Indonesia is nearly 15 million ha in 2011, or decreased by 2 million from the 1976 position (MoA, 2011). Sumatera, Kalimantan and Papua are the three biggest islands wherein peatlands are extensively found. The comparison of the three can be seen in figure 3 below.

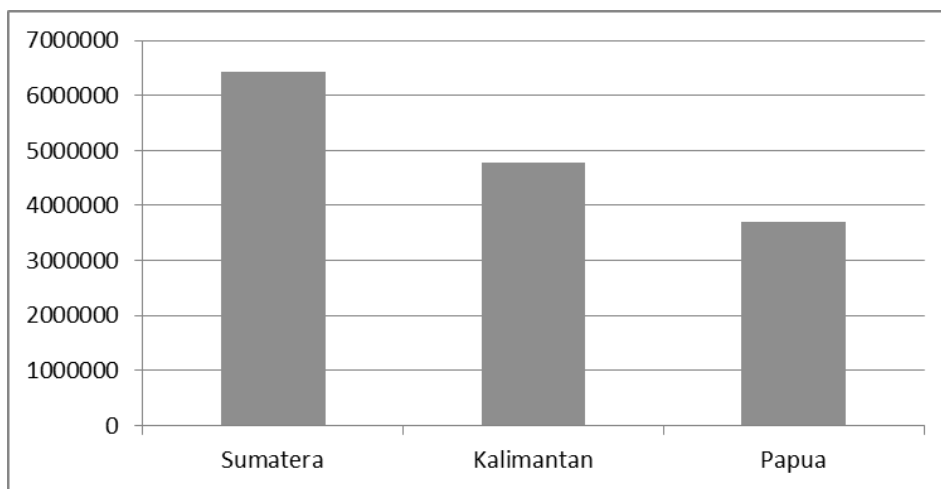


Figure 2 Distribution of Peatland in Sumatera, Kalimantan and Papua (in Ha)

Source: Adapted from MoA (2011)

The peatland in Indonesia is estimated to store carbon of up to 132 gigaton. In comparison, the world's largest rainforest in Brazil, the Amazon, is storing 168 gigaton of carbon⁸. That is why the drying-out and destruction of peatland in Indonesia contributes significantly to global carbon emissions, as the peatland is very effective in storing carbon⁹. The more the area of peatland is reduced, the more carbon is released. In fact 40% of Indonesia's total emissions come from destroyed peatland, or 61% together with forestry

⁷ ibid

⁸ ibid

⁹ See Fring, 2011

(Bappenas, 2010), which produced more carbon than emissions from Canada, UK and Germany combined in the same period. Meanwhile Frings (2011) believes the figure is actually more than that as Indonesia is estimated to emit 80 to 85% of its carbon emissions from deforestation or the destruction of peatland.

Indonesia is regarded as one of the largest GHG emitting countries with almost half of its emission contribution coming from forestry and land-based sectors. Deforestation has put the country among the largest emitters in the world (Butt et al., 2015, Measey, 2010). This marks Indonesia as having a unique emission portfolio compared to other countries. For these reasons, peatland-related carbon emission is seemingly an Indonesia-specific challenge, as Indonesia accounts for almost 60% of global emissions from peat decomposition¹⁰.

Figure 4 below shows data from the Second National Communication to the UNFCCC by the MoE in 2009 that in terms of emission significance, peatland degradation in relation to carbon emission is actually more threatening than the forestry sector degradation. Hence this figure should be analysed carefully, particularly since some peatlands also part of forestry and thus officially under the forestry sector. Other land-based sectors such as agriculture and industry are also part of carbon emission sources.

¹⁰ Fact sheet Norway-Indonesia REDD+, 2012

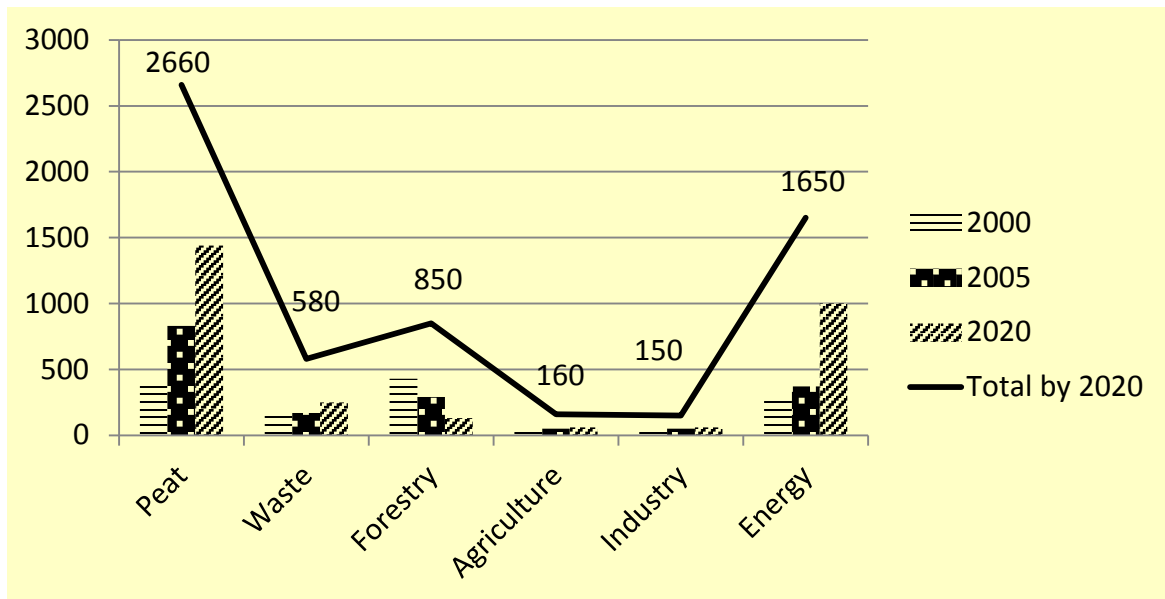


Figure 3 Carbon Emission from various Sectors in Indonesia

Source: modified from Second National Communication (MoE, 2010)

This figure confirms that forestry sector is not the only sector, although the major one, that contributes to carbon emission in Indonesia. Most of peatland, in this regard, is also part of forestry sector, as it is situated in forest areas.

2.2.3 The Drivers of Deforestation and Forest Degradation

A number of drivers of deforestation have been identified and these are more usefully categorised as being ‘underlying’ or ‘indirect’ drivers. Although there are some commonly recognisable drivers of deforestation, the term “driver of deforestation” has been used broadly for different purposes. Yet it is important to differentiate between the proximate or direct causes and the underlying or indirect causes of deforestation (Madeira, 2008, Kissinger and Herold, 2012). For the purpose of developing strategies of analysis, assessment and intervention, this kind of differentiation is useful. Land occupation due to agricultural activity is estimated to be the proximate causes that accounts for 80% of deforestation worldwide. Other sectors like mining, infrastructure and urban expansion are

also visible drivers but are less significant. Meanwhile the indirect causes are identified as multifaceted interactions of social, economic, political, cultural and technological processes that affect the proximate causes of deforestation and forest degradation (Dauvergne, 1993, Rudel et al., 2009, Di Gregorio et al., 2012b). In spite of there being various drivers of deforestation, the general sense of deforestation is that it is more profitable to cut down those trees, in the short term, than to leave them standing in the ground (MoE, 2012).

The trend of the shrinking forest-covered area is taking place in all major islands in Indonesia (Margono et al., 2014). While there is not an agreement in identifying the drivers of deforestation, the most common drivers recognised in Indonesia are forms of forest conversion (Norad, 2011). These common drivers of deforestation in Indonesia include the conversion of forests to annual cropland, conversion to perennial plants (oil palm, shrubs, and short rotation pulpwood plantations), conversion to slash-and-burn (shifting cultivation) lands, and conversion to exploit mineral resources, urban lands or other human infrastructure (Bappenas, 2010). The conversion of forest area and peatlands into palm oil plantation is mostly found in Kalimantan and Sumatera islands. The growing demand for palm oil, which is not only for the food industry but also as an important energy source, has made deforestation hard to stop. Indonesia and Malaysia combined are the world's biggest palm oil producers, supplying nearly 85% of world palm oil demand (Frings, 2011, Wicke et al., 2011). Indonesia is also the world's largest exporter of hardwood plywood (FAO, 2011). The consumption of forest goods and services show how socioeconomic values and benefits are attached to Indonesian forest.

In fact the drivers of deforestation in Indonesia can also be divided in terms of planned and unplanned drivers (Norad, 2011). The planned drivers include various industries of pulp and timber, oil palm, and other plantations, while the unplanned drivers

comprise illegal logging practises, encroachment and urban settlement. However there are also on-going threats such as infrastructure development, mining, and forest fire (Norad, 2011). These later threats remain problematic due to the need for infrastructure and mining development and continuing natural disaster threats such as forest fires. Such planned drivers are clearly part of governance policy to allow some conversion of forest land.

Thus the drivers of deforestation including peatland degradation in Indonesia are not only because of the major policy design and socioeconomic policy direction by the state, but also partly due to anthropogenic activities by individuals such as traditional communities or forest-dependant people and the private sector such as forest-reliant entrepreneurs.

2.3 Forest Governance and Policy

This section provides background information on forest governance and policy in relation to climate and forest policy making at all levels: international, national and local. This 'level' perspective gives certain explanations of why policy making cannot be simplified. The history of Indonesia's involvement in international negotiations on environment, climate change and forestry affairs has shown that there is influence by the international regime on national level policy. Thus the national and sub-national levels of policy making are, in essence, part of international efforts related to the sector.

2.3.1 International Context

International context provides evidence on how policy making in Indonesia, particularly in forestry, has been largely influenced or driven by external interests. The presence of the climate change regime that established climate change institutions at the international level has forced the domestic policy making to comply with them. In other words, the

international regime has been part of policy making processes in the country. As a result, many of policies made by government are an extension of international policy.

Indonesia has joined several international institutions in relation to climate change, including the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The country began its international involvement by signing the UNFCCC through Law 6 in the 1994, which enables the country to participate annually at the Conference of Parties (COPs) to implement the framework. This is considered as the primary international institutional arrangement on climate and forestry that Indonesia has been involved with. Policy making, particularly in the forestry sector and other related sectors, were heavily influenced after ratifying the UNFCCC. Institutional arrangements at the national and local levels were also altered in order to adjust to such compliance. Since the forestry sector is multidimensional, not only environmental, but also economic and social interests, therefore more institutions have become part of the whole governance of forest.

Yet, many commentators believe that the country has failed to comply with some international agreements (Butt et al., 2015), in which the country has made no explicit choice about how international law enters domestic law system. This is partly true when the 1945 amended constitution, article 11 (2) says:

When creating international agreements that give rise to consequences that are broad and fundamental to the life of the people, create financial burden for the State and/or require amendments to legislation or the enactment of new legislation, the President must obtain the agreement of the National Parliament (the 1945 Consitution).

In such situation, the GoI cannot take any actions responding to international law/regime without any agreement from the parliament. The power of parliament is

stronger than ever before, as this is also part of democratic wave that hit the country after going through authoritarian values.

In addition to that, Indonesia has been involved in other forestry-related international forums as early as 1978, when the government decided to take part in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The Ministry of Forestry was assigned to act as the management authority of the programme as a result of its ratification of the convention. As a result, the government issued a Government Regulation Number 6/1999 on Forest Enterprises and Extraction of Forest Products from Production Forests, and Government Regulation Number 8/1999 on Use of Wild Flora and Fauna.

The other international context in relation to forest policy making is the involvement of the country in the United Nations Forum on Forests (UNFF). One of the impacts of this involvement is the establishment of Ministry of Forestry Decree Number 7501/Kpts-II/2002 on 5 (five) Priority Policies in the Forestry Sector in the National Development Programme i.e. eradicating illegal logging, controlling forest fire, restructuring the forestry sector, rehabilitating and conserving forest resources and promoting reforestation, and decentralising forest management (Indrarto et al., 2012).

Indonesia also gave its commitments to the EU-based project called Forest Law Enforcement Governance and trade (FLEGT), by establishing a project under EU-Indonesia FLEGT Support project in order to enforce forest law. The Ministry of Forestry, in this regard, has issued two ministerial regulations on timber legality and guidelines for evaluating performance in sustainable production forest management.

International finance organisations such as the World Trade Organization (WTO), the World Bank and the International Monetary Fund (IMF) are among those which have

considerably influenced forest policy making in Indonesia, especially during the period of restructuring economy after the 1998 economy crisis. Reducing export taxes on logs, sawn wood and rattan, removing all regulations on plywood marketing and introducing tenders for granting forestry concessions and reducing natural forest conversion are among policies that were issued as a result of this international intervention (Indrarto et al., 2012: p. 20). These financial institutions clearly have played a significant role in shaping domestic policy on forestry in Indonesia.

2.3.2 Policy Structure: National Legal Framework for Addressing Climate Change

This section describes the national policy structure that shapes policy making in Indonesia at all levels. In order to understand the current position of climate and forest policies in Indonesia, first of all the research should recognise how a policy is structured, governed and located in a hierarchical policy structure from national to local level. This hierarchical configuration indicates a stronger and legitimate position of the national-level institutions over its sub-national institutions.

In 1998 Indonesia underwent transformational changes of policymaking system from highly centralised system wherein the President was the only actor being dominant and powerful to a more pluralistic, diffused and decentralised system wherein more actors are involved and participate (Dosch, 2006; Datta et.al, 2011). This change brought implications to national governance, particularly where local governments have gained more power and authority over certain affairs. In most cases, more sector decisions are now in local governments' hands rather than in central government's.

Based on Law 12 Year 2011 on the Formulation of Laws and Regulations, the structure of law and any forms of government regulation at national and local levels are

recognised and should comply with its preceding hierarchical position. The following list is the hierarchy of law that each superior/higher level of law or regulations should be the main reference for its subordinate/lower law or regulations.

1. The 1945 Constitution (*UUD Republik Indonesia 1945*);
2. People's Consultative Assembly Decree (*Ketetapan MPR*);
3. Law and Government Regulation as the Replacement of Law/Interim Emergency Laws (*Undang-Undang/Peraturan Pemerintah Pengganti Undang-undang*);
4. Government Regulations (*Peraturan Pemerintah*);
5. Presidential Regulation (*Peraturan Presiden*);
6. Provincial Government Regulations (*Peraturan Daerah Propinsi*);
7. Regent/City Government Regulations (*Peraturan Daerah Kabupaten/Kota*).

In principle, each type of law must not conflict with any law higher than its own type in the hierarchy, and a higher law can revoke or amend a lower law in the hierarchy. The (amended) 1945 Constitution¹¹ represents all the institutions, ranges from executive, legislative, judicative and other state branches and therefore serves as the basic law and the umbrella of laws in the territory of Indonesia. Consequently, any law enacted and policy formulated should comply with this constitution as the ultimate source of law. The second highest level is the People's Assembly decree, a decree that is taken by all members through an assembly. The third highest position is the so-called law and government regulation which involve both government as an executive branch and the People's Representative Council (parliamentary body, so-called DPR). The formulation of a law is usually very time-

¹¹ It has been amended four times from 1999 to 2002, during the era of democratic transition. The main features of the changes are the abolishment of the People's Assembly as the highest state institution, the regulation of five-year period of presidency, and the strengthening of local government.

consuming and complicated. It deals with both political interests from major politicians and governmental interests representing those in power.

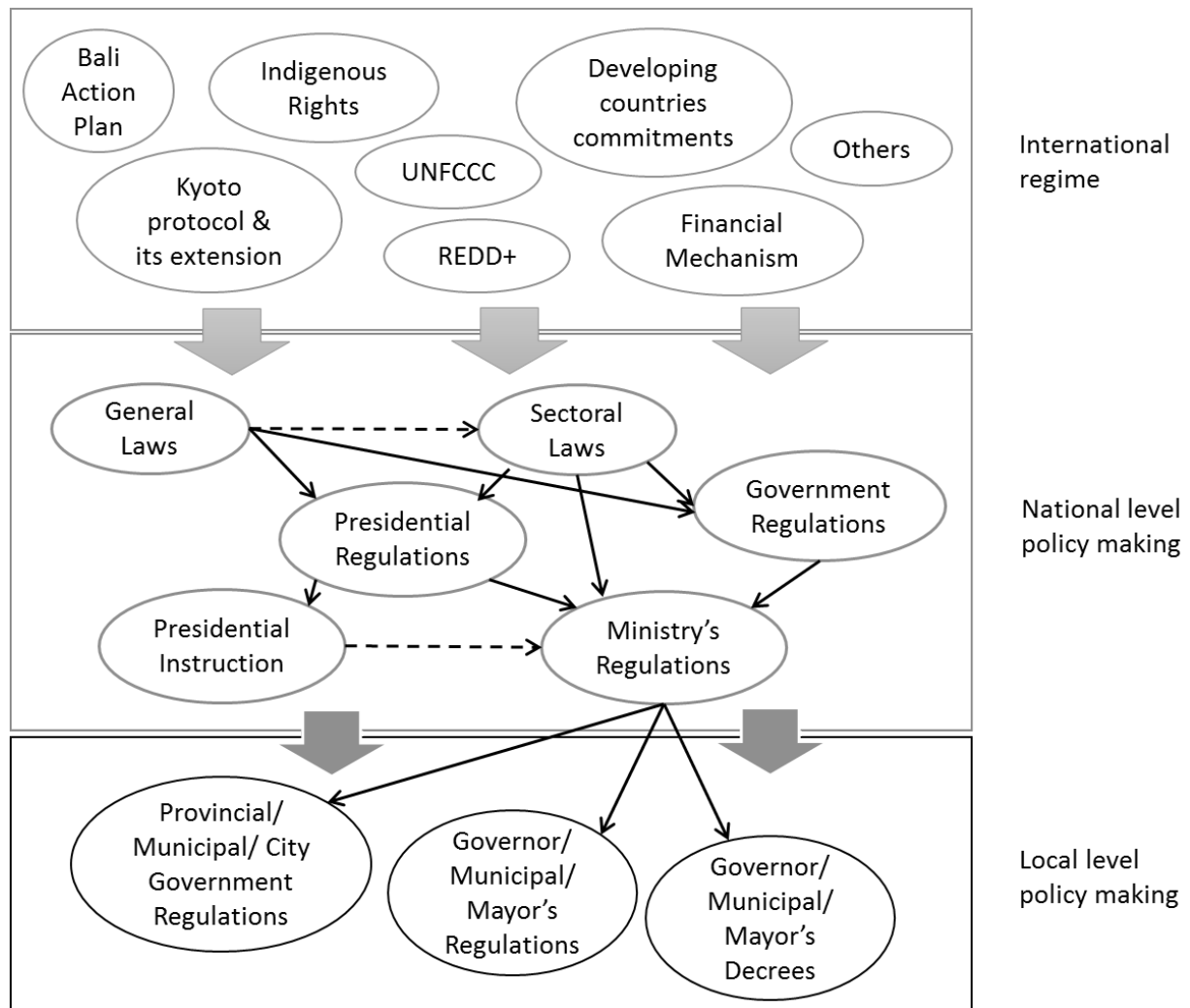


Figure 4 Illustration of Policy Making on Climate Change in Indonesia

Source: prepared by the researcher

This illustration shows the flow of climate-related policy making in Indonesia, from international regime where a number of institutions were established and directly and indirectly influences the policy making system at national level, and downward to local level. The Bali Action plan and Kyoto Protocol, which are among the most visible international regimes, and with other institutions at international level, have been ratified and politically accepted by the GoI, and thus translated into domestic policy making.

However, this hierarchy cannot be taken for granted, as local level institutions have increasingly gained more power and control over their own resources due to the enactment of decentralisation law i.e. Law 32 Year 2004 that has taken place in response to the previous centralised system. Accordingly, there are some policy and structural adjustments from both national and local governments in communicating policy to each other in accordance with this decentralisation policy.

There are several laws that mention environmental issues such as the Forestry Law and Environmental Law. However, policies on climate change are mainly established and developed at the Presidential Regulation level, which means they are fully discretionary to government, although it would not stop the parliamentary body to recall and review such policies if they think they need to.

2.3.3 Institutional Challenges

Policies can be implemented through different or multiple institutions. The challenges posed by policy making are how to translate them into lower level of, in particular, organisational, procedures, resources and concrete policy. Such challenges partly may remain unresolved as the formal organisational arrangement, especially at both national level—where the establishment of ministries should comply with the existing law i.e. Law 39 Year 2008 on State Ministries - and local level—where local governments increasingly gain more power and authority over certain affairs due to decentralisation law and find it difficult to deal with the structural problems like laws and regulations. The challenges are ministerial organisational setting at national level, sub-ministry or ad-hoc organisational arrangement,

the decentralisation context, and institutional coherence (see also Di Gregorio et al., 2012b, Korhonen-Kurki et al., 2014).

Firstly, at national level, according to the law on State Ministries, there are three different groups of ministries, depending on degree of function of the state. The first group is a group of ministries which is responsible for any affairs when the country is in the state of emergency. This group consists of Ministry of Home Affairs, Ministry of Foreign Affairs and Ministry of Defence, known as the triumvirate. Whereas the second group comprises of ministries which carry out basic functions and services of the state which are stated and written in the constitution, and the third group are those in charge in peripheral affairs, enhancing some objectives and supportive-related tasks. In terms of organisational hierarchy, forestry affairs belong to the second group, which means the government is strongly advised to have a forestry affairs ministry. This also applies to agriculture and environment affairs, each held by a different ministry. Subsequently, there are a few ministries to be linked to climate change i.e. Ministry of Environment, Ministry of Forestry, Ministry of Agriculture, Ministry of Public Works and Ministry of National Planning (see Resosudarmo et al., 2013). However, when it comes to the climate change agenda, there are issues of weak coordination and communication among these ministries, as each ministry represents respective sector that may overlap each other (see Resosudarmo et al., 2013, Butt et al., 2015).

Secondly, other arrangements for performing basic functions and delivering on state affairs may be established involving organisations beyond government or partly beyond government. This kind of arrangement has been increasingly popular as it presents a breakthrough against fragmented organisational arrangements within the bureaucracy. In the case of Indonesia, several institutions were established in order to respond directly and

indirectly to this issue. To name a few, a Cross-Ministerial Committee on Forestry was established in 2000, in order to coordinate ministries in addressing issues surrounding the forestry that occur in many ministries. However, as the climate change issue emerged and appeared visibly in political concerns, the National Committee for Climate Change was established within the Ministry of Environment through Ministerial Decree 53/2003. At higher level of government, the the Presidential Working Unit for Supervision and Management of Development (UKP4) was also taken into account when dealing with climate change issues.

Thirdly, apart from nationwide arrangement, decentralisation policy poses other challenges as it grants more powers to local governments. Certainly decentralisation is seen by many as a way of bringing government closer to local people, at least geographically (Dermawan et al., 2006, Kadjatmiko, 2008). The term is generally understood as the transfer of certain powers from central government to its local governments. As opposed to centralisation, the idea of decentralisation is to promote and to accelerate development across the country as well as to make public service closer to local citizens. It is also intended to increase efficiency as well as to promote equity and democratic values (Dermawan et al., 2006).

However, the enactment of decentralisation policy through these laws was then seen by the central government to be too excessive in a way that local government gained too much power as central government was weakened gradually. There were many cases when a district head refused to work with their superordinate as they believed that they have autonomous rights to govern their own region without consulting the governor as their

direct superordinate¹². Therefore, in 2004 these laws were revised by establishing the Law 32 Year 2004 on Regional Government and Law 33 Year 2004 on Fiscal Balance and revised for the second time by enacting the Law 23 Year 2014. The newly enacted law regulates and swung the pendulum of certain powers back to the central government. Recently the decentralisation policy has become more complicated particularly when some provinces demand to have special autonomy rights, a different scheme of autonomy from other provinces, due to political and historical reasons.

Nevertheless, a study has shown that decentralisation policy does affect the quality of local government in which some crucial problems remain unresolved, such as the confusion over authorities' distribution, lack of local finance, and low capacity of local governments to execute new responsibilities (World-Bank, 2005). This reflects a common vertical conflict between central and local governments. In line with that, another common problem associated with decentralisation is the emergence of conflict and power struggles at the local level (Yasmi et al., 2009). This means the horizontal conflict among local governments and local stakeholders may also take place. However, according to Cheema and Rondinelli (cited in Darmawan, 2008) many of the failures of decentralisation are due less to inherent weaknesses in the concept itself than to government's ineffectiveness in implementing it.

In line with that, the earlier study from the World-Bank (2005) identified several decentralisation problems in the new decentralised countries, especially in Asia. The first problem is related to the design of intergovernmental structure organizations, in particular decentralisation policy creates difficulties in coordinating policy implementation between central government and local governments. The second issue that received more attention

¹² <http://www.thejakartapost.com/news/2014/12/22/overcoming-problems-new-autonomy-era.html>

is related to financial mechanisms for money allocation to local governments. Meanwhile the third problem revolves around the accountability of local governments and their capacity to manage the newly received authority.

Lastly, although funding from domestic sources is limited, the government can still generate funding from other sources¹³. Therefore it is not surprising that the most pressing challenges faced by the government are not financial-related matters nor the problem around national and local arrangement, instead the connectivity of, horizontally and vertically, institutions and policy infrastructure, including decision-making processes and organisational change. In terms of connectivity, various institutions and policy infrastructure at national level should be in line with the achievement of cross-cutting goals, and thus need to be connected. The integration of environmental-related policies into non-environmental sectoral policies both at national and local levels would lead to organisational changes. These institutions may include formal and informal organisations, hierarchy, procedures or policies. Therefore it includes government ministries, international organisations, private sector, NGO, treaties, policy and decision-making structure, forest-dependent people, and other stakeholders.

2.3.4 Institutional Arrangements at National Level

Based on the description of policy structure and institutional challenges above, this section describes how governance at the national level deals with the forestry sector, especially in relation to addressing climate change. The position of the MoF certainly is central to the national arrangement, especially when it comes to forestry sector.

¹³ See discussion on budget allocation in the following section, and appendix 7

The institutional arrangements, particularly in designing ministerial configuration in cabinet level, should comply with the Law 39 Year 2008 on State Ministry. Between 2009 – 2014, there are at least six ministries and agencies in central government level which strongly related to climate governance. These institutions are REDD+ Agency and National Council on Climate Change (DNPI) assumed in the closer circle of Presidential Office, and four ministries of Ministry of Forestry, Ministry of Finance, Ministry of Environment and Ministry of Development Planning, as shown in Figure 6 below.

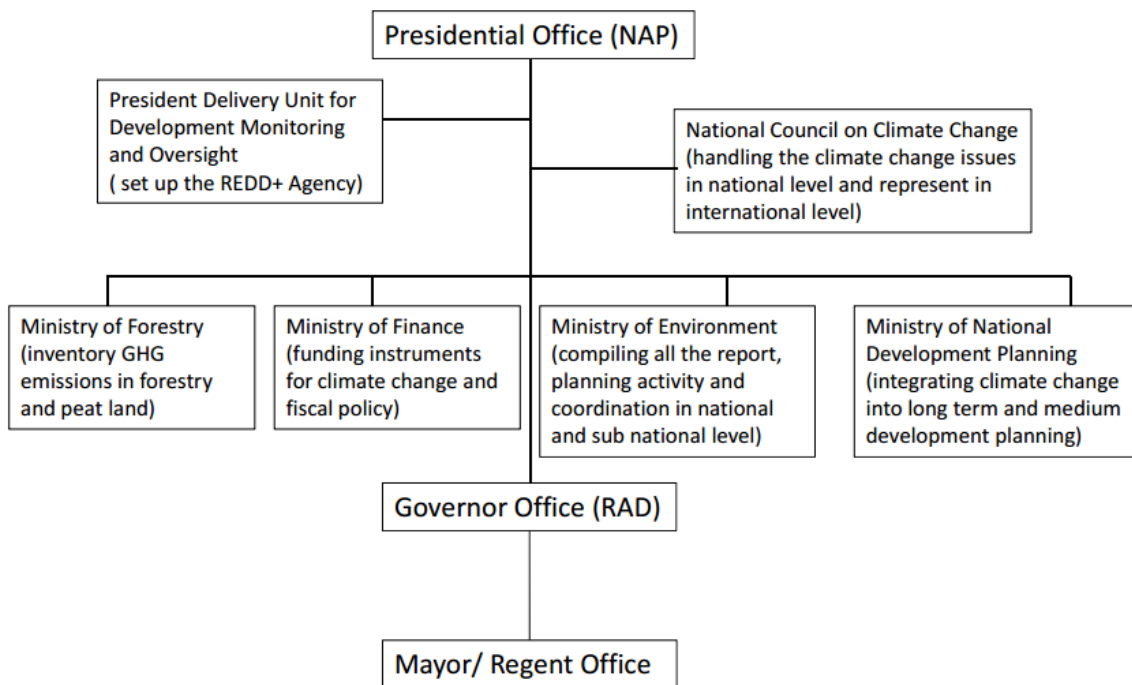


Figure 5 Climate-related Agencies in National and Regional Action Plans

Source: Bappenas, 2010

From this figure there are lines of reporting and accountability that connect one institution to another. The hierarchy in the figure shows the Presidential Office holding the utmost power where all other institutions should report to and be accountable to. Two of these institutions are directly linked to the forestry sector, while the other institutions' coverage are broader, including sectors other than forestry. The President Delivery Unit for

Development Monitoring and Oversight (UKP4) is a strong and powerful unit right under the Presidential Office. Its main task is to monitor all development progress from all sectors, with or without any request from the President which includes debottlenecking and policy monitoring, and establishing and operating the situation room (Ardiansyah et al., 2015). Such power of UKP4 is recognized by all government institutions. The REDD+ Agency, as an independent agency, was established later. Hence, as forestry is the central issue in climate policy in Indonesia, the entire six institutions deal with the forestry sector.

Based on the formal tasks that are assigned to these institutions, there is no conflicting situation between them. However Resosudarmo et al. (2013) argues that the real situation and the practice of climate governance is far from that perfect arrangement. In fact, those institutions are competing with each other to gain a leading position in climate policy, as there is no clear guidance which institution should lead the structure (Resosudarmo et al., 2013). This partly can be understood as Indonesia is in transition from a highly centralised system that has been in place for more than three decades to a more decentralised system (Butt et al., 2015).

Although competition among these institutions remains problematic, in fact the policy structure on climate change at national level has been enforced by related institutions. The two approaches of mitigation and adaptation have been acknowledged well, and addressed by the presence of policy documents respectively. This is attributed to Bappenas, which played its role in shaping the national policy level by advising and mainstreaming the two approaches into national policy development structure.

From Figure 6, it can be seen that the national policy design has recognised the need to specifically address climate change in separate approaches i.e. mitigation and adaptation.

Mitigation effort received more attention in addressing climate change, and has gained more attention from policy makers.

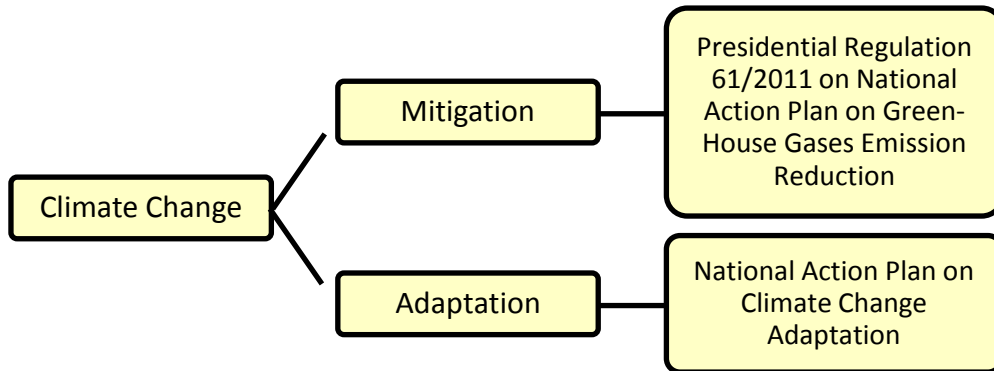


Figure 6 Government Regulations on Mitigation and Adaptation

Source: Bappenas (2010)

Based on the Presidential regulation on the National Action Plan on Green House Gases, the mitigation approach is employed in several sectors as follow:

1. Economic sector that includes the development of alternative energy, the vegetative fuel, and the development of independent village (desa mandiri)
2. Infrastructure that covers the development of sanitation and waste facility, and the development of city transportation system.
3. Spatial planning that consists of natural resources development, and environmental development in transmigration area, and
4. Natural resources and environment that covers pollution control, atmosphere and climate change control, conservation, forest fire control, forest reclamation at river basin, FMU establishment, new energy and energy conservation.

The introduction of Nationally Appropriate Mitigation Actions (NAMAs), as an outcome of COP18 in Doha, has shown the attention given to the effort of mitigating climate

change. This is particularly within the context of development planning and sustainable development, where developing countries are encouraged to submit their mitigation plan in detailed actions that are designed to help the country meet their mitigation objectives within the context of national development goals. The GoI submitted its formal NAMAs in order to fulfil its pledge of emission reduction (Röser et al., 2012), through actions as follows:

1. Sustainable peatland management
2. Reduction in rate of deforestation and land degradation
3. Development of carbon sequestration projects in forestry and agriculture
4. Promotion of energy efficiency
5. Development of alternative and renewable energy sources
6. Reduction in solid and liquid waste
7. Shifting to low-emission transportation mode.

Some of these detailed actions are clearly in line with forestry sector and should be part of forestry governance. Peatland management, tackling deforestation and developing sequestration are those directly corresponding to forestry governance. In its Second National Communication to the UNFCCC, the GoI has set out the key national policies in the forestry sector which includes combating illegal logging, revitalisation of forestry sector, conservation and rehabilitation of forest resources, empowering forest-dependent economy as well as forest area stabilisation (MoE, 2010).

On the other hand, the adaptation approach invites similar sectors including the relevant programmes within them that are designed for adapting climate change at practical level, as follow:

1. Social-cultural sector that includes disease prevention

2. Economic sector that covers food security policy coordination
3. Infrastructure development including water management, water container building, irrigation, bog/swamp and soil water, flood control, coastal security, and so on.
4. Spatial planning, in particular the natural disaster readiness, and
5. Natural resources and environment which covers coastal and sea ecosystem conservation, research on agricultural land, the development of science and technology, sea-, coastal- and small islands spatial planning.

In addition to this, the National Action Plan of Addressing Climate Change were published by the Ministry of Environment in 2007, while other mitigation-related policies were developed in sectors such as energy, land use, land use change and forestry (LULUCF), and marine and fisheries. While those linked to addressing climate change adaptation involve sectors of water, agriculture, infrastructure, health, forestry and biodiversity. In this regard, forestry sector can be included in both mitigation and adaptation approaches.

Since climate policy in Indonesia has been forestry centric in many respects, the Ministry of Forestry seemed to be the only institution that should be properly and legitimately in charge during international climate negotiations. When the COP13 was held in Indonesia, the ministry took the initiative to lead the climate policy management by establishing the Indonesian Forest Climate Alliance (IFCA), comprising of various ministries, donor agencies, and NGOs (Resosudarmo et al., 2013). The ministry also published several regulations to promote climate policy to other ministries and local governments. However, this alliance was undermined when the REDD+ task force was created by President upon the signing of Lol in 2010, linked to the USD 1 billion assistance from Norway. Afterward, the

climate negotiation was seemingly taken away from the Ministry of Forestry by this newly established institution. Nevertheless, the role of Ministry of Forestry remains important as the ministry has more data and capacity on the forestry sector than any other institution. The Law 41 Year 1999 on Forestry clearly gives legitimate mandate to the Ministry in managing forestry sector.

As a central government institution, the MoF holds authority to regulate the forestry sector, and subsequently such regulation should be abided by local governments. Law 41 Year 1999 concerning Forestry has clearly stated the coverage of government control over forestry sector which puts MoF in charge. In further regulation namely Minister's Decree Number P.40/Menhut-II/2010 concerning Organisation and Working Procedure, article 3, MoF defines its tasks in more detail as seen below:

1. Formulating, making and implementing forestry policies,
2. Maintaining internal affairs,
3. Monitoring and executing tasks within ministry,
4. Conducting technical assistance and supervision in local level, and
5. Conducting nation-wide technical activities.

Having said that forestry is the major sector in climate policy making in Indonesia, the researcher, nevertheless, should clearly include the configuration of climate change policy taking place in policy making process in Indonesia. Following what the planning law has mandated, the Ministry of Environment published the National Action Plan on Climate Change (RAN-PI) in late 2007, which contains the initial guidance and multi-sectoral coordination, followed by a roadmap for every sector, developed by relevant institution to prepare adaptation or mitigation strategies in late 2009. These sectoral roadmaps are then compiled into a national Indonesia Climate Change Sectoral Roadmap (ICCSR). This roadmap

designs what and how each defined sector should give appropriate responses to climate change, either through adaptation or mitigation paths. Although the major sectors are energy, transportation, industries, forestry, and waste, in defining exactly which sector should go to adaptation or mitigation strategies, the roadmap divides these sectors into two different strategies. Sectors of agriculture, marine, fisheries, health and water resources fall into adaptation strategy, meanwhile mitigation category covers forestry, industry, energy, transportations and waste management sectors. Forestry sector and peat fire are included in the roadmap of mitigation in forestry sector.

At the national level, climate change has been also acknowledged by the National Development Planning Agency (Bappenas), by taking climate change agenda into the policy configuration of national development planning. A number of documents such as the Intergovernmental Panel on Climate Change (IPCC) model¹⁴, the Indonesian Climate Change Sectoral Roadmap (ICCSR) in 2010 and the National Action Plan documents are taken into account in the policy planning scenario (Bappenas, 2010), shown in Figure 8 below.

¹⁴ IPCC model is a technical document on climate, designed and researched by climate scientists to provide evidence as well as climate forecast, which is reviewed periodically to adjust with the latest invention or technology

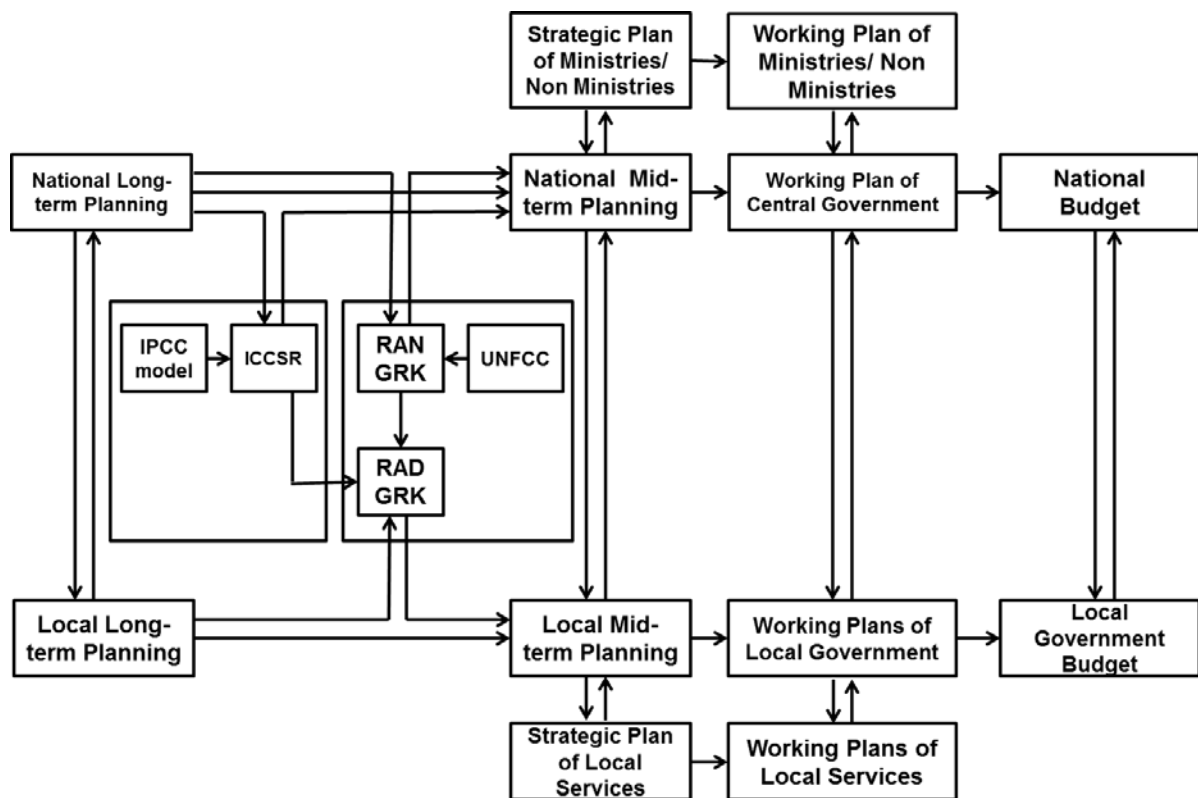


Figure 7 Configuration of National Development Policy Planning

Source: Bappenas (2010)

The ICCSR aimed to mainstream climate change into national development policy in the mid-term period (Bappenas, 2010). From this framework, the climate change policy should have been acknowledged and integrated into national and local development planning process, and has been officially recognised in this particular policy configuration.

In this planning configuration, the ICCSR serves as a roadmap planning, established and written based on what has been mandated in national long-term planning. Bappenas, the National Development Planning Agency, in this case, acts as the leading institution in directing all sectors (ministries) to comply with its mainstreaming document. While the national and regional action plan documents are the main references for its respective mid-term planning system, the planning system at local level adapts it into lower planning design.

In brief, the whole system of planning in both national and local levels has opened opportunity to incorporate climate issue into respective policy formulation.

The National Council on Climate Change (DNPI), as another competing institution in climate governance in Indonesia, was actually established in 2008, based on Presidential Regulation 46/2008 in order to formulate policy on, strategy of and control on climate change. This council is assigned tasks as follow:

- a. Formulating national policies, strategies, programs and activities to control climate change;
- b. Coordinating activities in controlling climate change including the activities of adaptation, mitigation, transfer of technology and funding;
- c. Formulating mechanism and procedure for carbon trade;
- d. Monitoring and evaluating the implementation of policies on control of climate change;
- e. Strengthening the position of Indonesia to encourage developed countries to be more responsible for controlling climate change.

Other mandates shouldered to DPNI include coordination role, policy formulation as well as international negotiation. Such functions are basically equal to those of ministerial level. This kind of separated arrangement is one of the weaknesses in organisational coordination that often happens at ministerial level.

In addition, the REDD+ Managing Agency was established as a further development of the previous Institutional Preparation of REDD+ Institution, through Presidential Decree 63 Year 2013. This agency worked under the Presidential special staff for climate change. The tasks given to this agency were similar to those borne to the previous agency. This agency, however, played an important role in the climate agreement between Norway and

Indonesia, particularly in the context of realising Lol. The establishment of this agency was also part of the requirements required by the Lol in order to secure the assistance.

2.3.5 The State of Forest-related Budget

In terms of ministerial budget allocated by central government, the MoF and the MoE are among the recipients of the smallest budget compared to other big ministries. The Ministry of Defence and the Ministry of Education and Culture, in contrast, have been among the bigger ministries enjoying the increasing trend of budget over the years. For a comparison, the national budget allocation from 2007 until 2013 can be seen in Figure 9:

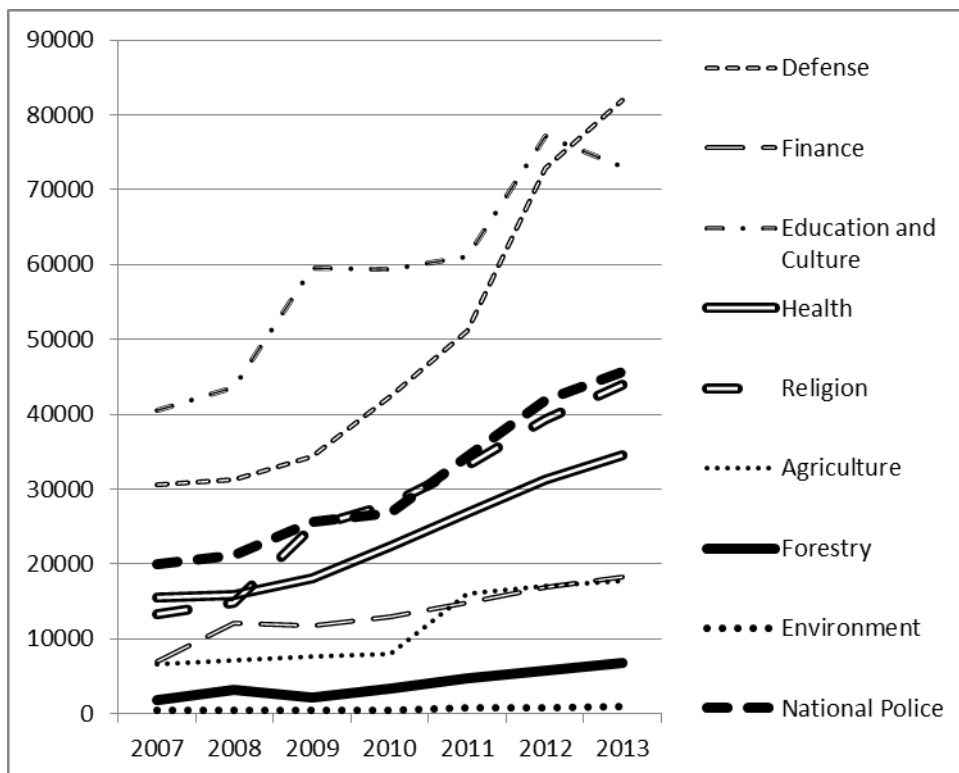


Figure 8 National Budget Allocation of Selected Ministries (in billion Rupiah)

Source: adapted from Ministry of Finance, 2013¹⁵

¹⁵ <http://www.anggaran.depkeu.go.id/dja/acontent/Data%20Pokok%20APBN%202013.pdf>

Although the figure shows that budget allocation to both forestry and environment ministries are considerably small against other ministries, in the context of both mitigation and adaptation to climate change, the budget allocated to these two is quite big.

Other ministries with bigger budget have also taken part in combating climate change in different ways. The Ministry of Agriculture, for instance, is not directly involved in the mitigation of climate change, instead it plays a role in adapting to climate change. The development of agriculture includes how to adapt climate change impact like dealing with food security, the use of lands and other activities. The Ministry of Public Works is also another big ministry with its budget being approximately ten times bigger than the MoF's. It plays an important role in the context of climate change adaptation, where infrastructure development, and other types of public works are aimed at pursuing adaptation. This would include other ministries like the Ministry of Health, Education and others that for the most part may involve in adaptation rather than mitigation of climate change.

In terms of sectors, the environment sector remains the weakest sector as it receives only approximately one-sixth of those of sectors under the supervision of the Coordinating Ministry of Economy. The budget allocation for forestry sector is not visible in sector categorisation. This is partly because the small portion of budget allocation to the MoF itself, and also this sector has not received attention as much as other sectors like education (20% of total national budget) or health which receives 10% at least, as mandated by law.

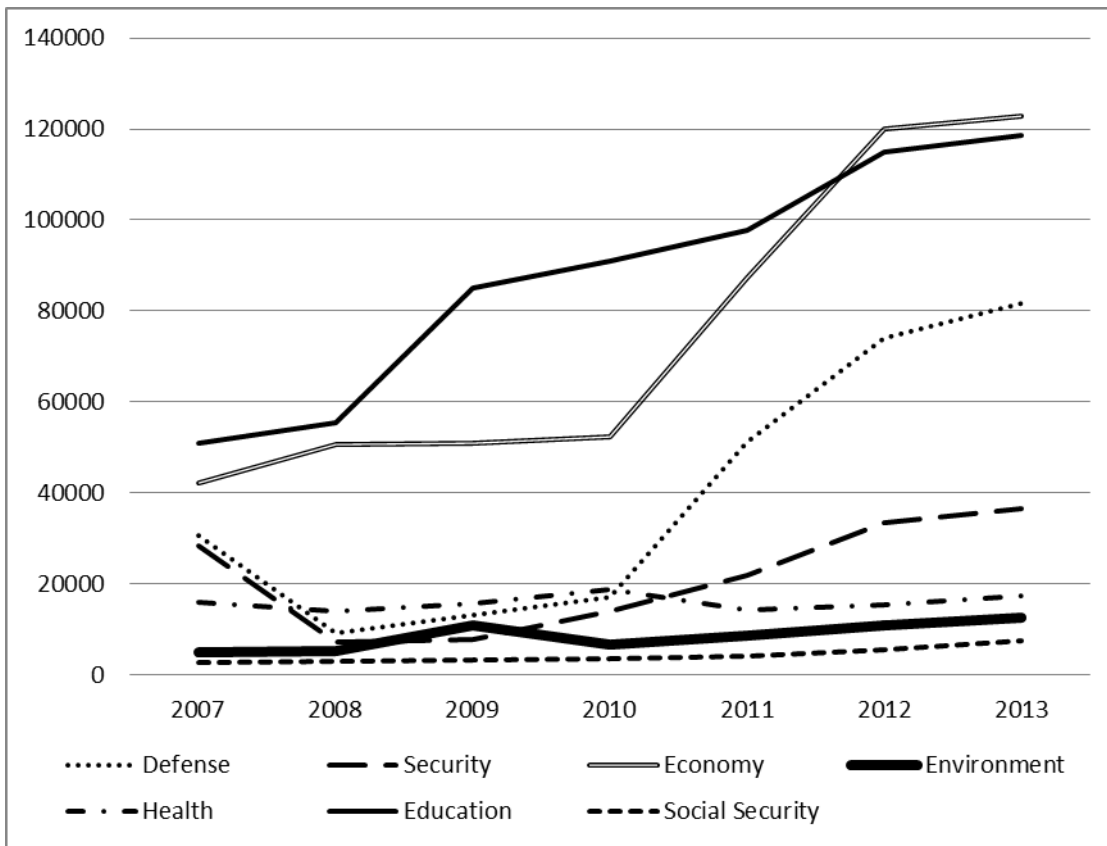


Figure 9 National Budget Allocation of Selected Sectors (in billion Rupiah)

Source: Ministry of Finance, 2013¹⁶

In addition, when it comes to sustainable development where economy and social indicators are included, environmental sector remain among the lowest budget recipient as can be seen in Figure 10. Again, forestry sector is hardly visible in the graph due to insignificant allocation. The forest-related budget is, to some extent, included in some of the sectors below.

¹⁶ *Ibid.*

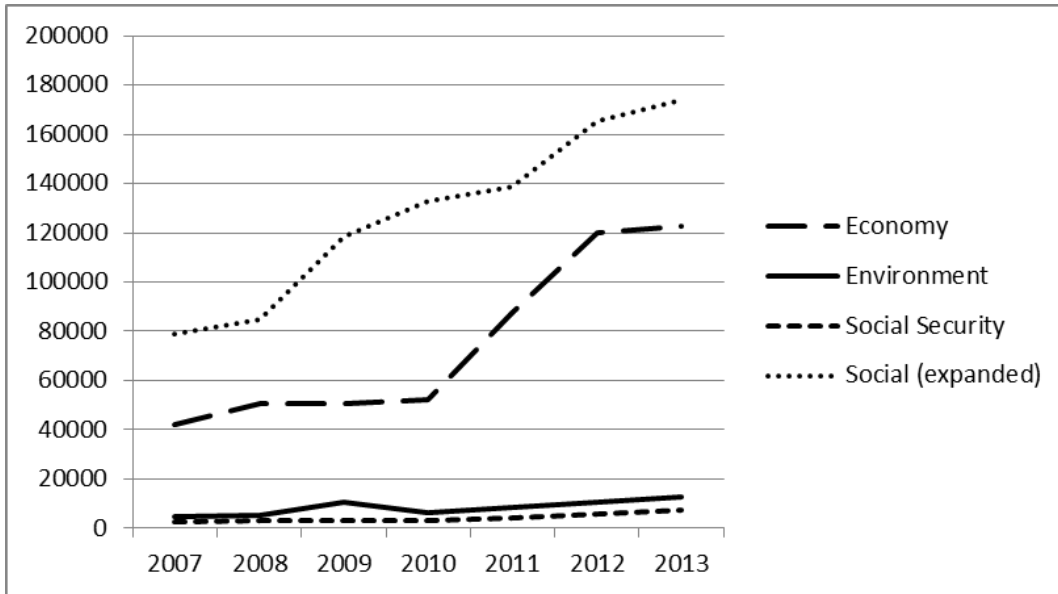


Figure 10 Comparison of Social, Economy and Environment Sectors (in billion Rupiah)

Source: Ministry of Finance, 2013¹⁷

Hence the figures above do not merely show a weak indication of environmental (and climate) concerns in the cabinet, as the budget allocated to environmental concerns are spread over several and different ministries. The figures show only the macro picture of national budget. Each institution should allocate its respective budget to its own locally ministerial needs. Sometimes a big ministry has to spend more of its budget on paying salaries due to its huge number of its employees, and consequently allocates only a small part of budget to finance its core function.

This can be shown in Figure 12 which indicates the relatively higher budget allocation for environmental sector, compare to the budget of Ministry of Environment itself.

¹⁷ *Ibid.*

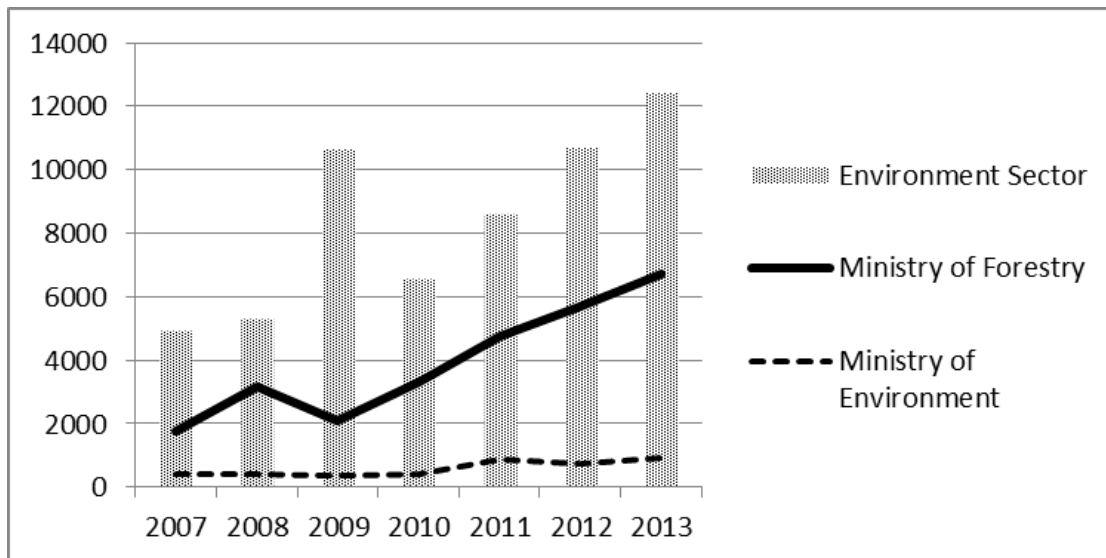


Figure 11 Comparison of MoF, MoE, and Environment Sector in National Budget (in billion Rupiah)

Source: Ministry of Finance, 2013¹⁸

This figure shows that budget allocation on the environment sector always exceeds certain ministerial budget. This is perhaps the observable indicator showing government's commitment on environment always remain high. However, the figure does not show in detail the percentage of environment sector budget allocation that is spent on climate program. This can be traced by reviewing the budget document of each ministry to identify and analyse which programs or activities within ministry or sector.

Although the distribution of budget among forest-related ministries and sectors show an impression that Ministry of Forestry (MoF) has been underfunded and weak, the ministry is actually powerful in terms of controlling around 65% of total Indonesia's forest lands. The authority of the ministry to define which land falls under forest lands is one of indicators of how powerful the authority that the ministry holds.

¹⁸ *Ibid.*

Furthermore, international donors play an important role in providing funding to the forestry sector in both mitigating and adapting to climate change¹⁹. Norway, Germany, UK, Korea, Australia and Japan are among the major contributors to the funding scheme. Meanwhile World Bank, ITTO and ACIAR are among international organizations that are involved in mitigating and adapting to climate change in Indonesia, especially within the forestry sector.

In brief, this section shows that although the budget does not seem to be distributed proportionally among ministries, the budget for climate change mitigation and adaptation has been enormously provided by both domestic and international sources. This includes not only those within forestry sector, but also those beyond the sector.

2.4 Environment and Climate Change Policies

This section discusses the role of the environment sector as part of climate change governance. This is partly because the environment sector has been associated with the forestry sector in many ways, not only in the context of climate change governance, but also in terms of land-based sector management.

Addressing climate change cannot solely be done by one sector, not only forestry, nor environment sector. It is not only deforestation that is taking place but also forest and peatland degradation that contributes significantly to climate change. Other than that, Indonesia is one of the most vulnerable countries to climate change. As an archipelago, the most probable impacts of climate change on Indonesia would be changes in water availability, more frequent and intense tropical storms, sea level rise which results in

¹⁹ See appendix 7

submerged islands, storm surges, changes in agricultural productivity, and disruption of coastal livelihoods for millions of people (Witoelar et al., 2013).

2.4.1 Environment and Policy Context

The Government of Indonesia (GoI) has responded to environmental concerns since at least the 1970s, when the international community gained greater awareness of protecting global environment, demonstrated by the 1972 United Nations Conference on the Human Environment, held in Stockholm, Sweden. After this, the GoI formulated the outline of an environmental policy in its 1973-1978 national policy outline²⁰.

In 1978, for the first time the government established the Ministry of Development Monitoring and Environment. After that, the environment had become an established part of the national agenda. The ministry from the outset was in charge of coordinating and addressing environmental issues across ministries. Local governments, based on the State Ministry Decree No 240/1980, were encouraged to establish environmental divisions in their respective organisational structures.

While the environment sector has been enjoying official recognition since the 1970s, climate change was not a policy issue at national level until the country hosted the United Nations Climate Change Conference (UNFCCC) COP13 in Bali in 2007. The profile of climate change issue has increased considerably since then, where suddenly it gained a nationwide recognition as one of national development agendas. Prior to hosting the conference, the GoI published its first National Action Plan Addressing Climate Change.

²⁰ It is officially called GBHN, a Mid-Term National Policy Guidelines that enacted for every 5 year. The GBHN is a development planning outlined by People's Assembly, as the highest state institution during the New Order regime, which was abolished by the amendment of constitution in 2004.

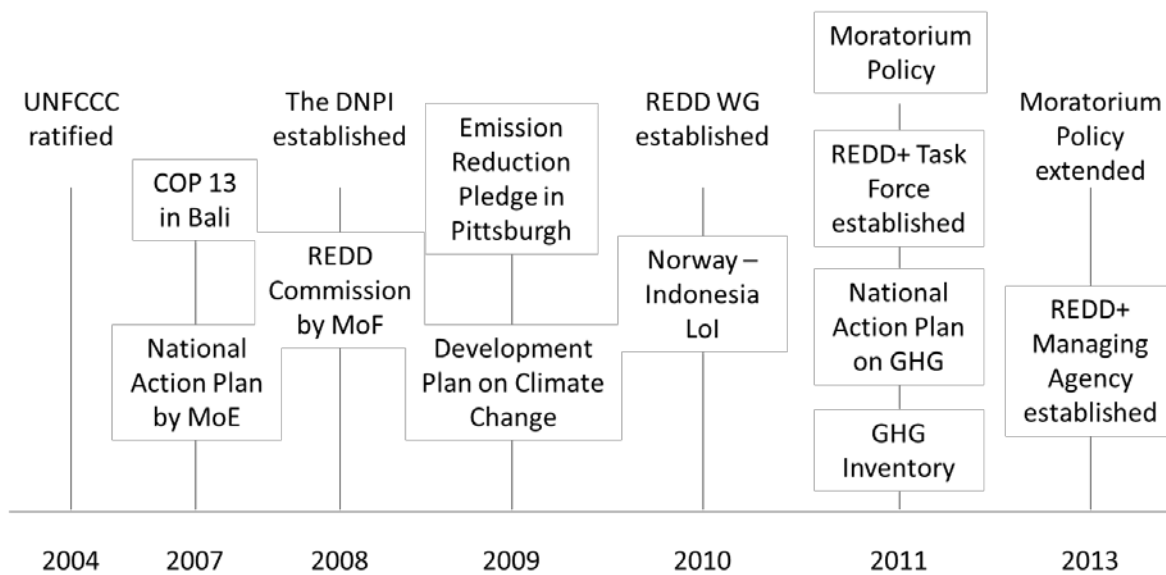


Figure 12 Timeline of Indonesia's Climate Change Policy Development until 2013

Source: adapted from various sources

The government's commitment to addressing climate change was acknowledged internationally when President Soesilo Bambang Yudhyono (SBY) announced the country's commitment to reducing national emissions by 26%, funded by self-financed mechanism, and pledged even higher to 41% in total by 2020 if supported by international funding mechanism²¹. This emission reduction target is distributed to national governmental institutions, in which more than 85% of it is borne by forestry and land-based sector. This is the most visible indicator that climate policy in Indonesia is characterised as highly forestry-centric. The forestry sector is among five targeted sectors that are required to contribute to reducing greenhouse gas emissions. The following figure shows the plan of emission reduction distribution between sectors.

²¹ At the recent COP 21 in Paris, the new administration renewed its pledge to a 29% reduction in emission by 2030

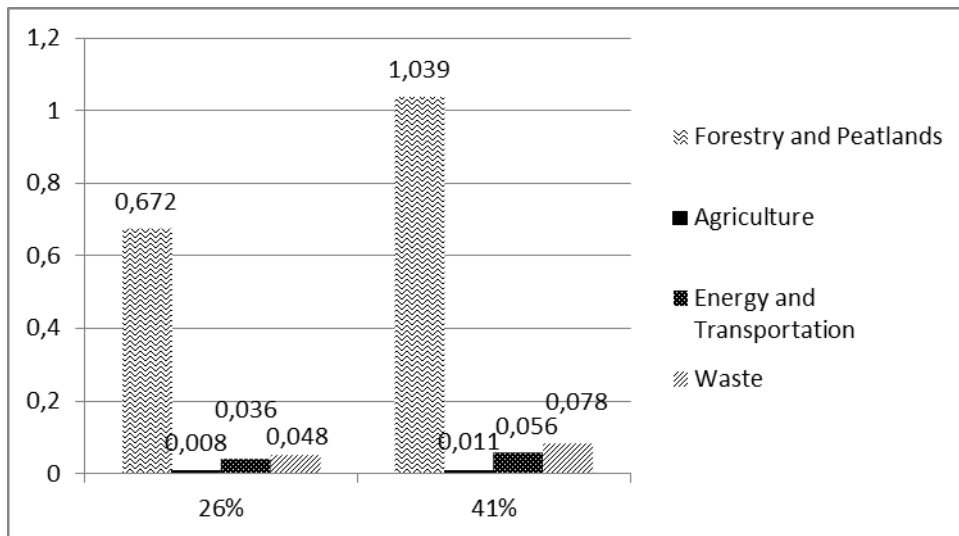


Figure 13 Emission Reduction Target by Sector (in Giga ton CO₂e)

Source: Bappenas, 2012

From the graph, it can be seen that the forestry is the sector that bears the greatest responsibility in reducing greenhouse gas emissions in Indonesia. The other sectors, waste, agriculture, industry and energy and transportation, bear less than 15% of the responsibility. This figure reflects the real picture of carbon dioxide emissions in Indonesia, which are strongly linked to the forestry sector. Consequently, the forestry sector is central to national climate policy in Indonesia. Based on distribution of greenhouse gas emission reduction responsibility, there were seven ministries involved in the emission reduction effort i.e. the Ministry of Forestry (MoF), the Ministry of Environment (MoE), Ministry of Public Works (MoPW), the Ministry of Agriculture (MoA), the Ministry of Industry (MoI), the Ministry of Transportation (MoT) and the Ministry of Energy and Mineral Resources (MoEM). Beyond these ministries, two other institutions holding responsibility in addressing climate change nation-wide, such as the National Council on Climate Change (DNPI)—an ad-hoc institution under the MoE, have also established, and President SBY also appointed a working unit under the Presidential Office.

2.4.2 Policies on Climate Change at National Level

Having awareness of the challenges posed by climate change as well as its impact on national development plan, the government launched the National Long-term Development Plan (RPJPN) in February 2007 which includes the effort of addressing climate change issues. All policies at national and local levels should comply with this plan. The Law 17 Year 2007 on National Long-Term Development Plan (RPJPN) Year 2005-2025 issued by the government provides overall guidance for development both at national and local levels for the period over 20 years. In relation to sustainability, forest and climate change issues, the sixth mission statement of the document can be observed below.

“To make Indonesia wonderful and preserved by keeping the balance between utilization, sustainability, existence, and usefulness of natural resources and the environment, by protecting the function, capacity and the comfort of living in the present and the future, through balanced land use for settlement, social economic activities and conservation; augmenting the economic utilization of natural resources and environment sustainably; improving the management of natural resources and the environment to support the quality of life; providing the wonder and comfort of life; and enhancing the preservation and utilization of biodiversity as basic capital of development” (RPJPN 2005-2025: p. 40)

This is a long-term mission that clearly points to the policy direction of keeping the natural resources and environment (including forest and other land-based sectors) preserved and sustained. This mission, at the same time strongly emphasises making the most of the natural resources for the purpose of achieving human’s welfare. Although climate change was not mentioned explicitly, this mission statement considerably corresponds to the effort of addressing climate change for a number of reasons as follows:

1. Sustainable development has been the key issue in the long-term mission, showing the importance of keeping the natural resources usable for a long time by current and future generations. The idea of sustainable development is largely connected to

climate change (see Banuri, 2009, Damtoft et al., 2008, Markandya and Halsnaes, 2002, Swart et al., 2003, Turkenburg, 1997).

2. The environmentally friendly social and economic goals that are outlined in the mission have a similar objective to the effort of addressing climate change through mitigation and adaptation approaches.
3. Protecting and preserving natural resources and biodiversity that are emphasised in the end of the mission are also considerably parts of addressing climate change.

From this point, based on this broad mission mentioned above, the legal framework of climate change and forest policy in Indonesia can be divided into specific/sectoral-based and general laws and regulations. Both sides have specific policy issues, but the sectoral ones are largely influenced by the general ones, as illustrated in Figure 15.

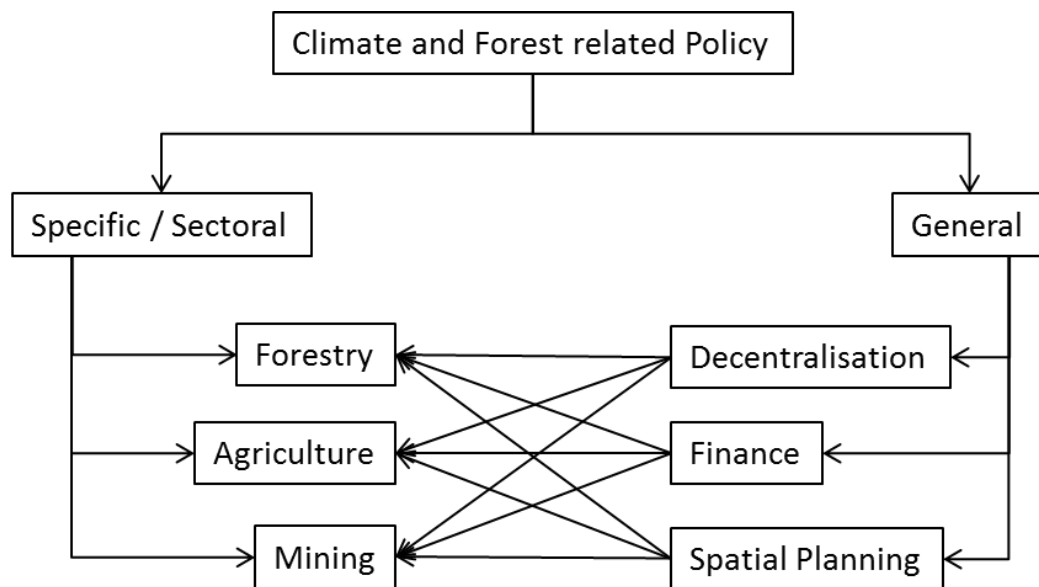


Figure 14 Legal Framework of Climate and Forest-related Policies

In this framework, climate change and global warming challenges are recognised and realised to be burdens for the achievement of sustainable development vision, particularly

in many sectors that are strongly related to public interests. Addressing climate change, based on this framework is already part of sectoral work. This is a strong message emphasising climate change in the national policy document.

Following up on this act, the government issued Presidential Regulation Number 5 Year 2010 to translate the long-term planning into 5-year period or mid-term planning (RPJMN). In this stage, there is no explicit ‘climate change’ term written in the document, as the macro strategy of development is highly concentrated on economic activities.

Table 2 Stages of Development 2005-2025

RPJM 2005-2009	RPJM 2010-2014	RPJM 2015-2019	RPJM 2020-2024
Reforming the unitary system, developing a safe and peace Indonesia, in the state of just, democratic and prosperous	Enforcing the unitary system, enhancing the quality of human resource, developing science and technological capabilities, and strengthening economic capability	Improving development through developing natural and human resources-based economic competitive advantages, and science and technological capacities	Establishing independent, advanced, just and prosperous society through the acceleration of all sectors development with competitive-based strong economy

Source: Presidential Regulation 5/2010 (p. 25)

This regulation mainly declared the vision of 2014, which is to achieve a Just, Prosperous and Democratic Indonesia (p.25). Still, the vision declared mentions only a strategic level of development goals, and recognition of climate as an issue cannot be expected at this level.

When it comes to the section of Economic and Prosperity Development Target, in terms of the environment, ‘climate change’ is explicitly mentioned within the targets i.e. target number 3 which is to enhance climate change mitigation and adaptation capacity (p. 45). The other targets are to improve the environmental quality and the management of

natural resources in cities and remote areas, to reduce environmental destruction and to enhance the environmental resilience and capacity, and to establish afforestation, reforestation programme and carbon emission reduction (p. 44-45).

The recognition of policy integration also appears in the document, mentioning budget and policy mainstreaming (p. 38). It is stated that mainstreaming (principles) in 2010-2014 Mid-term National Development Plan (p. 62) consists of sustainable development, good governance, and gender mainstreaming. To be more specific, the planning document includes Cross-sectoral Working Plan (and policies) that covers poverty reduction, climate change, archipelago-oriented ocean development, and children protection.

The RPJMN document also emphasises the need to address global warming in order to keep development sustainable, including a government pledge to reduce greenhouse gas emissions by 26%, and up to 41% with foreign assistance by 2020. Forestry, peat lands, waste and energy sectors are the main focus compared to other policies in many sectors.

The document sets a number of national priorities in development planning, ranging from bureaucratic reform, education, health and post conflict regions. Among those priorities, food resilience, environment-and-disaster, and culture, creativity, and technological innovation are the national priorities which concern climate change. In terms of food resilience, for instance, government is committed to realising adaptation to climate change by taking concrete steps that are related to adaptation and anticipation of the food and agricultural system to climate change (p. 55).

While in terms of environment and disaster, the government set the strategies to:

1. Climate change: increasing the management capacity in managing peat lands, increasing rehabilitation results to 500,000 hectares per year, and increasing the intensity of efforts

for reducing the deforestation rate, by enhancing cooperation among the related ministries and by optimizing funding sources, like the IHPH (Forest Utilization Right Fee), the PSDH (Forest Resources Fee), and the Reforestation Fund.

2. Controlling Degradation of the Environment: reducing pollution of the environment through the supervision of controlling pollution from waste water and emissions in 680 industrial and service activities in 2010 and continued henceforth; reducing the total number of forest fire hotspots by 20% per year and reducing the overall pollution rate by 50% by 2014; halting environmental degradation in 11 River Basin Areas that are vulnerable to causing natural disaster starting from 2010 and continued henceforth .(p. 58)

2.4.3 Policies addressing Climate Change within Forestry Sector

There are a number of initiatives as well as contribution from donor organisations that drive climate-related forest policy making in Indonesia like UN REDD Programme, AusAID, Forest Carbon Partnership Facility (World Bank), USAID, World Agroforestry Centre (ICRAF), German Society for International Cooperation (GIZ) and others. In addition, Indonesia signed a bilateral REDD+ partnership with Norway shortly after Indonesia pledged its emission reduction in Pittsburgh in 2009.

Policy initiatives in climate-related forest policy in Indonesia can be mapped into three different schemes of Bali Action Plan, the Presidential statement in Pittsburgh and the ICCSR, as shown in Figure 16:

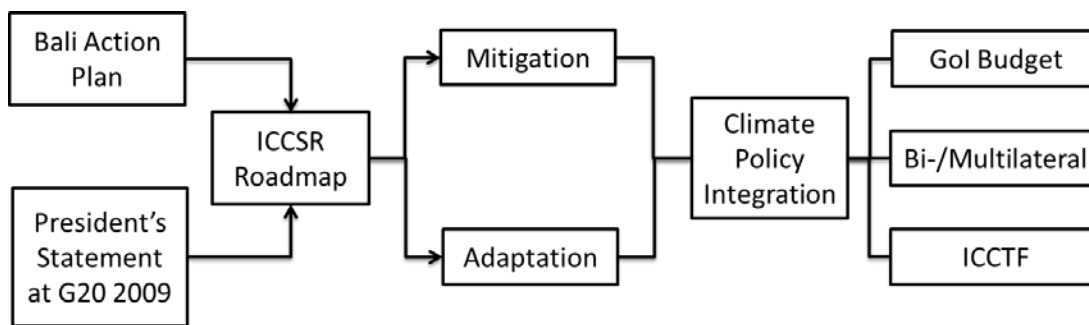


Figure 15 Initiatives on Climate-related Forest Policy

Source: adapted from Indrarto et al. (2012)

The Indonesian Climate Change Sectoral Roadmap (ICCSR) was issued by Bappenas, the National Development Planning Agency, which is central to the nation-wide development planning and policy. This is seen as the effort of mainstreaming (or integrating) climate change into national development planning. In this case, Bappenas, the National Development Planning Agency, has been mandated to promote climate change into national policy that affects all sectoral policies, especially those are mandated by regulation (Bappenas, 2010).

Another area of Bappenas's work in relation to addressing climate change is the establishment of the Indonesia Climate Change Trust Fund (ICCTF) in 2009 to channel international aid for climate change mitigation and adaptation efforts. It is reported that the fund has attracted up to USD 15 million fund from international agencies (Indrarto et al., 2012: p. 57). As an in-charge ministry in forestry sector, the Ministry of Forestry is assigned to select demonstrating provinces—the provinces/regions that are targeted as the fund receivers.

Apart from this budget institution, the Ministry of Forestry has also received international support to improve forest management through projects such as the Forest

Governance and Multi-stakeholder Forestry Programme in 2007 – 2010 funded by British government, and several forest projects funded by Australia and Korean governments until 2012 (Indrarto et al., 2012: p. 53).

Perhaps the most well-known and worth-observing policy is the Presidential Instruction No 10/2011 on Forest Moratorium²² as a response to the signing of the Letter of Intent (LoI) with Norway on Norwegian's extraordinary grant worth USD 1 billion. The government through this moratorium policy receives praise, particularly for its challenging contents to limit the issuance of new licenses for conversion of forest or development of peatland. This moratorium policy gives instructions to three ministries i.e. Ministries of Forestry, Home Affairs and Environment, and several heads of agencies namely Presidential Delivery Unit for Development Oversight, National Land Agency, National Coordination of Spatial Planning, National Coordination Agency for Survey and Mapping, and the proposed agency to manage REDD+, along with governors and heads of district governments.

The other part of the moratorium is an indicative map of the areas over which Moratorium would be applied. It is labelled "Indicative" with intentions for it to be updated every six months. The Ministry of Forestry is in charge of reviewing this map periodically. It defines areas within which specified actions are suspended and other actions are required. Some changes have been made to the coverage of forest cover area (including peatland) from the first indicative map until the latest one released Ministry Decree 2796/2013 as shown in Figure 16 below.

²² The most recent development, in May 2013, through Presidential Instruction 6/2013, the Government of Indonesia extends the earlier Moratorium Policy which is due in 2013.

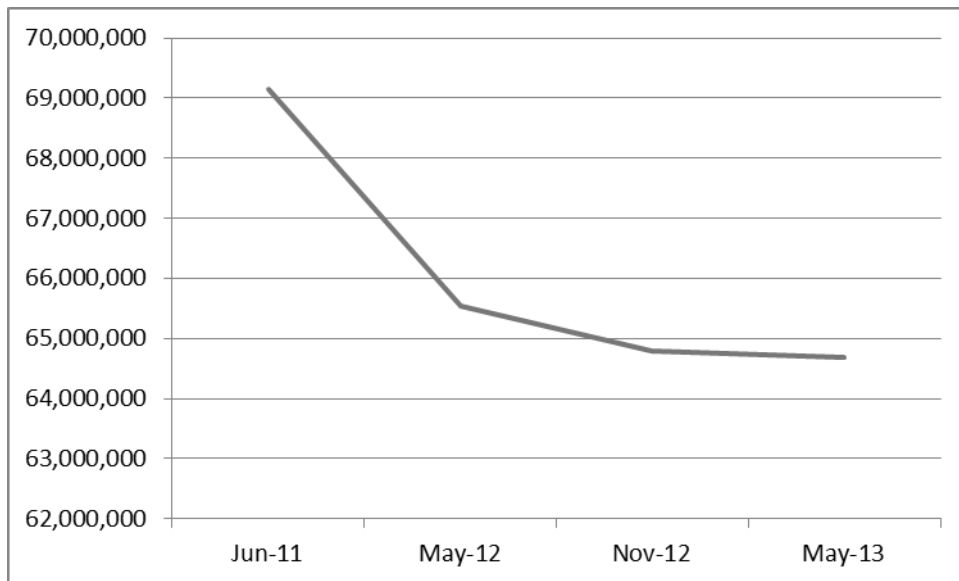


Figure 16 Changes of the Indicative Map Coverage (in hectare)

Source: adapted from MoF, 2013

Since the Moratorium Policy is in the form of Presidential Instruction, it is not literally recognised by the law hierarchy as mentioned above and thus is questioned for its legitimacy. Most informants in this study questioned the legal standing of this policy as this is regarded as a non-legislative document in which there are no legal consequences if, for instance, the instructions are not implemented by one or all of the relevant agencies. Although those mentioned in the Lol are strong enough to formally support the promotion of moratorium ruled by this instruction, the only consequence that may be faced by Indonesia when they fail to follow the moratorium is nevertheless the postponement or at the most the abolition of promised financial grant.

There remain problems with the moratorium, such as the different terminologies used in the Lol and the moratorium policy which would be confusing. The newly added terminology of “primary” in the moratorium into the original terminology of “natural forest” written in the Lol could be interpreted differently. The terminology of “primary natural

resources” refers to the untouched, unmanaged and undisturbed forests, which means smaller in terms of size. Meanwhile “the natural forests” category has broader coverage including those disturbed or secondary natural forests. The implication of this difference of interpretation is that the size of natural forests is two times larger than the primary natural forests (Murdiyarso et al., 2011).

In contrast, this moratorium, surprisingly, covers all kinds of peatlands regardless of their type, depth, location, jurisdiction or level of disturbance, in which according to previous ministerial regulation, only the peatlands deeper than 3 m were protected. Thus the protection of peatland from anthropogenic and industrial activities is likely to be safer and more guaranteed under this moratorium policy. Nevertheless, the total area covered by moratorium is estimated to be only 22.5 million ha, as the major part of protected area of 43.9 million ha (conservation area) (Murdiyarso et al., 2011), is already bound by Law 41 Year 1999 on Forestry. This makes the moratorium coverage is not as much as was intended.

The moratorium policy can hardly prevent all exploitation of forests and peatlands, as it is not intended to do so, but rather to give room for the Indonesian government to redesign economic development, especially that related to forest management planning process to make the national economy more sustainable. In other words, the forest-based economy has to make the most of the existing resources utilisation and to adjust its production process to a more sustainable working plan.

However, there are a number of impacts that may be felt once the moratorium has been implemented. Peatland has received more attention because its capacity to store carbon is greater than forests. Thus the likely impact would be additional protection of peatlands and eventually more carbon stored. Meanwhile the moratorium may also threaten jobs since the expansion programmes will be disrupted. This claim is debatable, at

least to Koswanage and Taylor (2011) who argue that the current large companies have enough area to exploit for the 2-year period of moratorium, and thus the moratorium would have a minimum impact on employment.

Moreover, there are some exceptions that may be counter-productive to reaching the emission reduction target. The moratorium exempts the areas that have already been approved in principle by Ministry of Forestry for conversion activities. Those areas are dedicated to vital national development projects, such as geothermal, oil and natural gas, rice and sugarcane for food security. In terms of food security, the Minister of Agriculture could expand the area of food production, complying with another Presidential Instruction 5/2011 on Food Security. This seems to be proven when in January 2010 President Susilo Bambang Yudhoyono (SBY) launched the Merauke Integrated Food and Energy Estate programme which will convert a vast area of Papua's forests of 1.6 million hectare to rice and wheat fields and oil palm plantations.

The challenge of the moratorium policy is not always from central policy. The decentralisation law is also problematic to the moratorium policy, since each level of government has been granted authority to issue licenses for conversion. As local governments have no appropriate guidance or control mechanism that makes them less capable to appropriately implement decentralisation, particularly in dealing with forest governance, the forest is really threatened by excessive and uncontrolled issuances of licenses. According to Djogo and Syaf (2004) the decentralization of forest resource management authority to local governments has resulted in a situation in which district governments are neither accountable upward to the central government nor downward to the local people.

While those problems remained unsolved at the local level, the Ministry of Forestry issued the Ministry Regulation 20/2012 on Forest Carbon Governance (FCG). This regulation is intended to regulate the basic principles of forest carbon related activities, and to optimize FCG itself. Based on this regulation, FCG could be conducted in two ways: demonstration activities and the implementation of forest carbon activities. This covers production forests, protection forests, conservation forests and local forests. State-owned companies, private actors, and local people are invited to be involved in FCG by government to protect and maintain any of these forests and make them sustainable.

The complexity of climate policy within and beyond the forestry sector has shown that the necessary strong commitment from government could not easily be delivered, particularly when dealing with different policies that may conflict with each other.

Having those ministries and agencies as well as institutions dealing with the forestry sector in response to climate change, Table 3 below shows the distribution of climate-related policies.

Table 3 Current Distribution of Climate-related Policies

Ministries/ Agencies	Policy product	Policy direction	
		Mitigation	Adaptation
Ministry of Forestry	<ol style="list-style-type: none"> 1. Indonesian Forest Climate Alliance (IFCA), 2007 2. Minister Regulation 68/2008 on Demonstration Activities of Carbon Emission Reduction from Deforestation and Forest Degradation 3. Minister Regulation 30/2009 on REDD Implementation Procedure 4. Minister Regulation 36/2009 on License for Utilising Carbon Sink in Protection Forest 5. Ministry Regulation 20/2012 on Forest Carbon Governance (FCG) 	X	
UKP4 and REDD+ Task	<ol style="list-style-type: none"> 1. Letter of Intent 2. Presidential Instruction 6/2013 (was 	X	

Ministries/ Agencies	Policy product	Policy direction	
		Mitigation	Adaptation
Force/Agency	Presidential Decree 10/2011) on suspension of issuance of licenses for conversion of forest or development of peat (Moratorium Policy) 3. National Strategy on REDD+		
Ministry of Environment	1. National Action Plan of Addressing Climate Change, 2007 2. Initial National Communication on Climate Change to UNFCCC, 1999 3. Second National Communication on Climate Change to UNFCCC, 2010	X	X
The National Development Planning Agency/ Bappenas	1. National Action Plan on Climate Change Adaptation (RAN-API) 2. National Strategy on Human Resource Development for Mitigation and Adaptation	X	X
President of Indonesia	1. Indonesian Climate Change Sectoral Roadmap (ICCSR) 2. Indonesian Climate Change Trust Fund (ICCTF) 3. Presidential Decree 61/2011 on NAP of GHG (RAN GRK)	X	X
Local Governments	Local/Regional Action Plan on GHG (RAD GRK)	X	
	Local Strategy on REDD+ Governor's and Municipal/City's Regulations	X	X

Most ministries are in charge of addressing climate change within their respective sectors, in terms of both mitigation and adaptation , only the UKP4 and the REDD+ Agency focus solely on mitigation. A policy document on climate change adaptation was also published by the DNPI in 2011.

2.5 Key Points

Certain sectors were identified as the major contributors that cause climate change, and forestry is one of those. The degradation of forest and any other land-based as well as the

problem with policy structure and governance at all levels have made the effort of tackling climate change more difficult.

The state of forestry in Indonesia has been threatened by deforestation rate, driven by human and industrial activities. While forest governance and policy have to comply with the existing policy making system, the continual deforestation can also be caused by policies of government.

At the international level, Indonesia has shown its active involvement in addressing climate change, although the country is burdened by its domestic policy system. Climate change undoubtedly had won its place on the policy agenda at national level. A political commitment on reducing emissions that was pledged by President SBY in Pittsburgh in 2009, at least, demonstrated a strong indication of this will. Furthermore, budget allocated to the related sector and climate change increased over time.

Despite this strong message by the country, the current policy structure and institutional arrangement at national level present particular challenges to the recognition of the issue.

Finally, based on timeline of climate change policy development in Indonesia, and the discussion of forest problems as well as organisational arrangements, the making of sectoral policy flows from the early stage of the introduction of climate change at international level, the institutionalisation, to policy making at local level.

Chapter 3 Literature Review

3.1 Introduction

This chapter reviews the literature on policy-making in relation to policy integration, and on the nature of, and challenges for, policy integration. This review aims to construct an informed analytical framework to guide the design and analysis of the research. In addition, the literature provides background and rationale of how policy is made in a sector, in what way policy integration can take place and by what means an organisation responds to such circumstances. Therefore, the review is divided into three sections below.

Section 3.2 reviews literature on policy context to identify whether and how cross-cutting issues are taken into consideration and what factors may enable or constrain policy integration. This review includes literature on the process of policy-making, how issues get onto the agenda, who is involved in policy-making and how a wide range of institutions matter for policy-making. Furthermore, the review identifies key themes and issues arising from literature on policy integration, including how a cross-cutting policy issue is integrated into a sector.

Section 3.3 reviews literature addressing policy integration, including how does policy integration happen and organisational arrangement within and beyond an agency's boundary in particular when it is going through changes in order to respond to a cross-cutting issue or agenda, related actors, institutions, processes as well as opportunities and barriers of policy integration.

The chapter concludes with the identification of key themes and the development of an analytical framework that is based on the literature review to be used throughout the research.

3.2 Policy Context

The purpose of this section is to review what theories and models of how policy is made within government reveal about opportunities and barriers for policy integration. Selected theories and models are reviewed and clustered into a number of categories that reflect approaches to explaining and investigating policy-making processes. As the theories and models within the clusters have different starting points and ask different questions, they suggest a range of challenges and opportunities for policy integration. Since the research seeks to explain how policy integration takes place within a sector, policy-making theories will help to structure investigation of how policy integration can take place within sectoral policy-making.

There are many perspectives or ways of looking at how policy-making takes place, for instance through approaches that: view policy-making as a process of stages, taking rational decisions; emphasise the critical role of how policy agendas are set; are step-by-step or random; focus on the role of actors and interests; and, acknowledge the range of institutions involved in policy-making (see Knill and Tosun, 2012, Howlett et al., 2009). Table 4 sets out these five perspectives, their main areas of contribution in explaining policy-making processes and implications for policy integration.

Table 4 Policy-making Perspectives Comparison

Policy-making Perspectives	Contributions	Implications for Policy Integration
Rationalist/ stagist model	<ol style="list-style-type: none"> 1. Simplification of policy-making process 2. Problem solving 3. An ideal conception of policy-making 4. Actors are goal oriented 5. Decision maker as a satisfier 	<ol style="list-style-type: none"> 1. Problems are treated in isolation 2. Process does not allow for integration 3. Process does not allow for diversity of interests
Agenda setting	<ol style="list-style-type: none"> 1. Problem framing 2. Different actors and institutions are involved in problem definition 3. Multiple streams approach: problems, policy and political streams (Kingdon) 	<ol style="list-style-type: none"> 1. Competition for agenda space 2. Participation of policy stakeholders in problem definition may create opportunities for policy integration 3. Multiple streams create both opportunities and barriers for policy integration
Incrementalist and garbage can	<ol style="list-style-type: none"> 1. Policy-making is not linear as suggested by the stages model. 2. Policy-making is a political result of interactions between actors where negotiation takes place. 3. The garbage can emphasises that policy-making and decisions do not follow an orderly process from problem to solution 4. These approaches disconnect problems, solutions and decision-makers from each other 	<ol style="list-style-type: none"> 1. Opportunity for a fair and objective consideration of what should be prioritised 2. Competition of random interests and actors can create both barriers and opportunities for policy integration 3. May result in compromising policy(s) 4. Complexity of policy process may create barriers to policy integration
Elite or group(s) dominance and network	<ol style="list-style-type: none"> 1. Value and preferences of small governing group may differ from those of the public at large 2. Small elite groups control and impose issues onto policy agenda. 3. There may be no room for participation by policy stakeholders. Certain interests may dominate policy-making in their favour. 4. Mutual resource exchange and the role of agents in influencing policy-making. 	<ol style="list-style-type: none"> 1. When an incoming issue supports the interests of elites or controlling groups, policy integration may be more likely. 2. Power and dominance matter to the policy-making process. 3. If the issue threatens the interests of elites and controlling groups, then this may prevent or limit policy integration. 4. May result in a trade-off situation when an incoming issue surpasses the sectoral issue or otherwise.
Institutionalist	<ol style="list-style-type: none"> 1. Formal arrangements that exist to facilitate policy-making 2. Explains the influence of established institutions in policy-making and how these institutions can shape ideas and determine policy issues 	<ol style="list-style-type: none"> 1. Multiple layer and structure of policy-making structure 2. Social context 3. Complexity of institutions may create barriers to policy integration 4. There may be opportunities as well as challenges when policy integration faces established institutions.

From this table, the first cluster, rationalist approaches, brings together classic approaches in policy-making literature which promote a clear, coherent and rank-ordered set of a linear rational process. This cluster includes the policy process model that prescribes policy-making as a policy cycle or stagist model (see Knill and Tosun, 2012, DeLeon, 2009). The policy-making process is portrayed as taking place in sequential stages, usually starting from agenda setting, policy formulation, implementation to termination or policy change. The second cluster of perspectives reflects the attention given to agenda setting (see Dearing and Rogers, 1996, Knill and Tosun, 2012). This is perhaps the most decisive stage of a policy cycle where policy issues are determined, selected or ignored. The incrementalism and garbage can perspectives in the third cluster share similar ideas on rejecting policy being made on the basis of a fully rational process, and being aware of how various policy issues may be in place (see Cohen et al., 1972). Elite, group and network theories are grouped in the fourth cluster because they focus on the influential roles of dominant interests or group(s) on a policy making process and encourage analysis of the power, resources, influence and interaction of groups in relation to policy processes and outcomes (see Kraft and Furlong, 2012). Lastly the fifth cluster, which is institutionalism, refers to analyses of policy-making that focus on established and formal arrangements such as sectoral laws, government regulations, related organisations and any other functions of government organisations and institutions that exist within and beyond the organisation (see Cochran and Malone, 2005). These five clusters in Table 4 reflect key areas of policy-making theories.

The rationale for why the aforementioned perspectives are important in relation to analysing the opportunities and limitations on policy integration are because they highlight

different views and processes of policy-making, thus enabling the identification of factors that may affect the potential for policy integration. Rationalism, pioneered by Lasswell (1956), for instance, explains policy-making as a process of problem solving that prescribes an ideal conception of how policy-making should be organised by goal-oriented policy actors in order to achieve optimal solutions to the underlying policy problems (see Knill and Tosun, 2012, Howlett et al., 2009). The policy-making process is seen as a simplified process rather than a complex situation as it is in reality. This simplification has consequences. Policy problems and issues that arise in a real situation are likely to be isolated from each other. In addition, goal-oriented actors in policy-making tend to fight for their own goals. Adapting goals to anything other than their own is unlikely to happen. In general a rationalist policy process does not allow for integration nor for a diversity of interests. Therefore, such a process would rather create barriers for policy integration.

From perspectives such as elite theory (see Dye et al., 2009, Kraft and Furlong, 2012, Hill, 2009) and institutionalist theory (see John, 2012, Greenwood et al., 2011), introducing new policy issues into a sector could also be difficult, particularly when the incoming issues go against the interests of elites or controlling groups in the sector. A policy system consists of established institutions that influence policy-making processes. This situation wherein established institutions exist can be multifaceted where one institution is not necessarily in line with other institutions. Accordingly, these latter perspectives suggest there may be little space for policy integration, as power and dominance of the controlling groups or established institutions limit change.

However, the perspectives do suggest some room for policy integration to happen. The multiple stream approach or the policy window put forward by Kingdon (1993), for example, explains how and why certain problems capture the attention of the government

at the expense of others. Kingdon, furthermore, argues that governmental agendas are set due to three explanations i.e. problems, politics and policy. Recognising problem is critical to agenda setting, not only because it could rise on governmental agendas, but also could fade from view (Kingdon, 2014).

Recognising and framing problems that are likely to be numerous rather than single could be the opportunity for a new incoming policy issue to be on government policy agenda (see Meijers and Stead, 2004, Pollitt, 2003). The involvement of numerous actors in any stages of policy-making could widen opportunity for policy integration. In such situation, competition of issue could take place where new incoming issues would have a chance to contest other established policy issues. As long as the cross-cutting issues are in line with the national mood or interest group campaign, the political stream could provide legitimacy to the policy integration.

A similar opportunity could be provided by bounded rationality (Simon, 1955) and incrementalist approach to policy-making (Lindblom, 1979), that both advise a complex combination and interaction between environment and internal variable of policy makers (see Lane, 2000). Because of having a lack of ability and resources to arrive at an optimal solution, the decision maker acts as a satisfier, which means to satisfy rather to seek the maximum option (see Knill and Tosun, 2012, Lane, 2000).

The garbage can perspective (Cohen et al., 1972), on the other hand, emphasises that policy-making and decisions do not follow an orderly process from problem to solution (see Knill and Tosun, 2012). It suggests that problems, solutions and decision-makers are disconnected. This approach or perspective attempts to reflect the policy-making in practice, where stages are not identifiable in an orderly manner. Thus this perspective can promote

competition of issues and give a similar chance to any issue to contest with each other to win a place on the policy agenda.

Meanwhile participation of interest groups in policy-making may both create and constrain opportunities for policy integration. When an interest group promotes its own agenda in a policy making process, it would likely face either acceptance or rejection from other interest groups. Although an elite group may have greater power to impose their agenda in policy making, other interest groups may express their disagreement. The policy that is made eventually is seen as a product of a battle among different interests group (Baumgartner and Leech, 1998, Kraft and Furlong, 2012, John, 2012). It explains that a policy-making process is dominated by influential interest groups. Therefore, instead of letting the elite group alone take control of everything, this pluralist view suggests more groups are involved in policy making. In this situation, competition of issues may have more chances as more actors promote their own agenda.

From the discussion on policy making perspectives above, the researcher discovered that the perspectives may suggest both opportunities and limitations to policy integration. Three key recurring themes emerge from the review of perspectives on policy-making and implications for policy integration: competition of issues, diversity of interests and complexity of polity.

3.2.1 Competition of Issues

Competition of issues throughout the policy process may limit the space and opportunity for cross-cutting concerns and hence policy integration. The competition of issue affects the potential for policy integration through certain agenda setting and other policy making process.

Agenda setting can be a decisive stage of policy-making with regard to policy issues being chosen and taken into account. During this stage, competition of issues is underway to get attention from policy makers (Dearing and Rogers, 1996). The role of policy actors in a policy-making process may be intensified in promoting issues onto agenda. However, different actors bring different issues, and different institutions create their own opportunities and barriers. Consequently not all issues will successfully get onto a policy agenda, simply because not all issues can be dealt with. A cross-cutting issue may be perceived as either supporting or threatening sectoral concerns. Those perceptions will influence response within a crowded space of policy issues. In addition, the sector may have a priority list in its policy agenda. There are also many factors that affect whether an issue is responded to and the perceived urgency and scale of the issue will increase chances of successfully reaching the policy agenda (Hogwood and Gunn, 1984, Dunn, 2015). These are particular reasons why competition of issues can take place, and thus the competition is inevitable.

Having a number of different issues driven by various interests and promoted by numerous policy actors in different stages of policy-making, crowding out and creating space for such issues to compete each other is instrumental in policy-making, as well as how the battling issues are managed in order to have a better policy agenda.

In addition, the perspective of a linear model policy-making process suggests that issues are dealt with in isolation of each other. This means that in any space, any policy issues other than those brought by sectoral decision-makers would likely be treated in isolation and unlikely to be taken into account. This is because rationalists would prefer to simplify the process of policy-making. At the same time, all actors are relatively goal-oriented (see John, 2013). Some issues are addressed while others are ignored in particular

within an agenda setting arena because activities such as defining problems, analysing alternative solutions, and eventually selecting, determining and putting policy issue into the agenda are undertaken during this stage. In a policy stream, referring to Kingdon (1993), the new incoming issue can be taken into account whenever the actors bringing the issue is influential enough to adapt or modify the existing policy process. In order to gain some legitimacy and stronger political support, the cross-cutting issue should be in line with the policy and political streams. This is why the stage is a decisive stage where a policy problem can be acknowledged and framed in the process and eventually selected as one of prioritised policies.

The outcomes of competing policies are affected by the range, diversity and power of interests involved in a policy area. Incrementalist and garbage can approaches, for example, suggest that policy processes have a greater chance for policy integration to take place. This is due to policy-makers being concerned to satisfy policy stakeholders rather than to maximise policy-making process (Knill and Tosun, 2012, Dye, 2013). In this case, competition among issues may intensify. This competition can be experienced by actors who brought different issues and interests, that could result in some policies that may favour only some parties. However, particularly in garbage can, since it disconnects problems, solutions and decision-makers, negotiation and compromise are often made by policy actors during the policy-making process in order to seek a compromise result that may satisfy majority of actors. This is one possibility of policy outcomes from such competition.

Another scenario that may happen is prioritising a policy issue, where time and resources are too limited to do everything. Thus competition results in listing of policy issue priority that may put cross-cutting issue on the top of the policy agenda, or otherwise.

Issue competition may also happen if there is an elite or dominant group within policy-making entity that is powerful enough to steer the entire policy-making entity. The reason is because this elite may have different policy agenda that may be different or against the new incoming policy issues. Even the value and preferences of such elite group may differ from those of the public at large. Once the elite and the rest of policy-making entity are not in agreement, then competition would likely not to happen. Instead, the elite group would impose their issues onto policy agenda and ignore the cross-cutting issue at the same time. This is because participation from other actors is barely allowed in such elite-dominated process (see Knill and Tosun, 2012, Hill, 2009).

3.2.2 Diversity of Interests

There are often many interests involved in policy-making with a diversity of objectives, preferences, degrees of power and levels of resources. Each policy actor must have their own objectives to achieve, based on their own preferences, and supported by certain degree of power and level of resources. These actors are not only elected officials, bureaucracy, and legislative, but also other policy actors beyond formal arrangements such as NGOs, the private sector and public at large.

Policy-making processes may or may not involve numerous policy actors who bring diverse interests and policy issues. Each of these actors has a certain degree of power and influence in relation to policy-making. This can be seen clearly in agenda setting where power and influence of actors are central to policy-making and policy integration as significant resources belong to policy actors who continuously promote issues they perceive to be advantageous. Taking a cross-cutting issue into account can promote diverse interests in policy making process. Thus, a framing problem in this stage could be a battle between

diverse interests within sector and the cross-cutting issue(s). These goal-oriented actors will make the most of their resources i.e. power and dominance to influence policy-making process. This is in line with Hill (2009) who argues that policy-making process corresponds to issue competition where policy actors exercise power and influence in order to win the competition.

The diversity of interests is reflected in the elite perspective, where policy issues are owned by a small elite or certain controlling groups (Knill and Tosun, 2012). This kind of policy issue are usually owned and promoted by elite group. On the other hand, there is also a number of other policy issues and interests in place beyond those brought by dominant actors that may represent public at large. Although these might not have a chance as big as those of the elite's.

On a practical level, government as a policy-maker bears responsibility to protect national interests, facilitate political will as well as achieve sectoral-based policy goals (Kettl, 2014, Birkland, 2014). The top-down direction of communication is the most likely approach employed by government to make the policy agenda. However, at the same time, citizen's needs are driven by various interests, most likely those directly related to their daily lives like welfare status, livelihood, economic level, social, and so on. Meanwhile other policy actors promote other cross-cutting issue that may or may not conflict policy issues the government already establish in the beginning of policy agenda.

The groups theory offers more and less similar situation, although the issues are brought by different groups, rather than concentrated in one or small groups (Howlett et al., 2009, Jenkins-Smith and Sabatier, 2003). Such illustration shows how interests are inevitably diverse, no matter how powerful and dominant one certain actor is in policy-making. This arrangement is likely to be the closer illustration of the real situation on the ground.

Recognising the groups' power within and beyond organisation might be the key to understanding the policy-making process in a nation-wide organisation like ministries or other central government institutions. This is also one of contributions from group theory to policy-making literature.

In practice, these groups battle to impose influence as much as possible on policy-making and eventually policy output(s). Sometimes they mutually exchange resources and sometimes they do not. While competition among groups cannot be avoided, a single policy product must be made.

Elite dominance in policy-making indicates a capture in addressing a policy issue. It emphasises how value and preferences of small governing group, which may differ from those of the public at large, affect policy-making (Baumer and Van Horn, 2014, Birkland, 2014, Dye, 2013). Both elite theory and group theory share this similar characteristic. Since the elite or small groups hold power to impose a policy issue, it is relatively easy for them to put the issue into agenda (see Abels, 2007, Domhoff, 1996, Anderson, 2014). A policy issue is normally recognised and imposed by a small group of elite whose position is considered top of the policy-making structure and thus hold decisive authority in determining policy issue. Thus an issue does not necessarily reflect the needs and interests of the public.

3.2.3 Complexity of Policy System

In addition to issue competition and the diversity of interests, policy integration may face its major challenge i.e. the complexity of policy system. The system can be seen as the two layers of structures in policy-making process i.e. the legislative and bureaucratic layer (see Salamon and Siegfried, 1977), a set of inter-related institutions and actors, or combined. The interaction between policy actors from both political parties and bureaucracy play a key role

in a policy-making system (see Hill, 2009, Knill and Tosun, 2012, Svava, 2001, Peters, 1987). This situation leads to, at least, two postulations in policy-making i.e. discretionary bureaucracy where bureaucracy has discretionary power in decision-making or controlled bureaucracy where legislature has more control over bureaucracy (see Huber and Shipan, 2002, Peters, 2010, Hood and Lodge, 2004). The first form assumes that governmental agencies are to some degree free from and relatively independent of legislative body while the latter suggests otherwise. This agency-legislative relationship shows some degree of complexity. The inability of a legislature to control agencies due to reasons such as government agency control of information from their policy area, access to clientele fosters agency-clientele alliances to protect agencies from their nominal overseers in parliament and high cost of passing new legislation to redirect agency policy limits congressional action in all but the most important cases (Weingast and Moran, 1983). Yet, both actors have to rely on each other (see Kooiman, 1993, Peters, 2010), as this is part of problem interdependencies that create incentives to cooperate: the very potential to mutually obstruct solutions promotes the willingness to come to agreements (Van Vliet, 1993).

This complexity of relationship between the two actors could be a major barrier for policy integration. It depends on which side promotes the cross-cutting issue. The stronger side would likely have a better chance to win the policy agenda. A cross-cutting issue promoted by the legislature can be achieved well, for instance, when the bureaucracy has less discretion. In contrast, in the case where bureaucracy is discretionary, and control power from legislation is weak, then the cross-cutting issue promoted by legislation would be hardly achieved (see Huber and Shipan, 2002).

Policy-making structures also involve other actors beyond this legislative-bureaucracy relationship. There are many structures with different ways of doing things and

different priorities, at different levels and guided by different legislation and regulations. This includes networks and institutions such as interest groups, NGOs, private sector, international regime, and other policy actors being among those involved in the complexity of policy-making (see Brockhaus et al., 2014, Di Gregorio et al., 2012a).

In addition, social context of society can shape and mediate formal arrangements. This means that institutions are affected by their surrounding environment and thus allows certain policy issues to enter policy-making. Policy integration can make the most of this social context in order to influence established institution. This is echoed by John (2013) that actors and groups often circumvent institutions in the pursuit of their interests. This results in institutions becoming weak when the interest group gains access to public policy-making. This affects policy integration in a way when actors and groups who push their own interests can easily veto an issue from outside. Institution, in this case, could be central in governing the dynamic of competition.

3.3 Policy Integration

Having reviewed policy making perspectives above, it has been shown how policy making processes can create opportunities as well as barriers for new incoming policy issue(s) to be taken into account. While such opportunities and barriers from policy making perspectives are clearly discussed above, policy integration requires further investigation. Therefore, this section reviews literature on policy integration, and provides a comprehensive understanding of policy integration for the purpose of the study. The section begins with clarifying what policy integration is and understanding the way policy integration happens, and how organisations are arranged in responding to such integration.

The existing state of knowledge on policy integration is very limited to date. There are other areas of literature that address similar themes to policy integration, such as policy coherence, cross-cutting policy-making, joined-up government, and policy coordination, though literature in these areas is also limited (see Meijers and Stead, 2004). There are two different terminologies that have been employed interchangeably in the literature: policy integration and mainstreaming. Most literature clearly employs the term policy integration in discussing the incorporation of an issue into different sectors (Nilsson and Nilsson, 2005, Ahmad, 2009, Lafferty and Hovden, 2003, Lenschow, 2002, Meijers and Stead, 2004, Mickwitz et al., 2009), while others use the term mainstreaming in doing so (Nunan et al., 2012, Brown and Tomerini, 2009, Dalal-Clayton and Bass, 2009, De Coninck, 2009, Mason, 1995). However, there are no clear differences in the usage of the two. It seems that both terms are used interchangeably. Ahmad (2009), Dalal-Clayton and Bass (2009), and Nunan et al. (2012) are among those who do not distinguish between policy integration and mainstreaming. Yet the term 'mainstreaming' is often found more in policy documents (Adelle and Russel, 2013), and 'policy integration' is more widely used in academic literature. The researcher found a split between the discussion of policy integration being used in relation to EU context (Hey, 2005, Lenschow, 2002, Nilsson and Nilsson, 2005, Randma-Liiv et al., 2011) and mainstreaming in development literature and context (Dalal-Clayton and Bass, 2009, Mason, 1995, UNDP, 2004, World-Bank, 2010). In brief, similarities between the two terms lie in the whole processes of incorporating cross-cutting issues into different sectors, while a slight difference appears in the preferences of academic and non-academic usages. In this research, the term policy integration is not distinguished from mainstreaming.

3.3.1 What is Policy Integration?

Policy integration was defined in Chapter 1 as the incorporation of a cross-cutting issue by a certain sector which furthermore could be taken into account in policy making process, and finally incorporated into daily organisational activities by sectors from all levels of government institutions to achieve both sectoral and cross-cutting goals. This section provides a more detailed discussion of what policy integration is.

One way of looking at policy integration is that it refers to the integration of policy considerations into core institutional thinking within other areas of policies and related activities, as well as with policy coordination and harmonization, to ensure policy coherence (UNDP, 2004). The term policy coherence is widely used by a number of international organisations like OECD and UNDP. It refers to the systematic promotion of mutually reinforcing policies across government ministries and agencies to create synergies towards achieving agreed goals and objectives, and to avoid or limit negative spillovers in other policy areas (OECD, 1996).

Meanwhile mainstreaming which has similar definition with policy integration, defined by Dalal-Clayton and Bass (2009: 20) as "the informed inclusion of relevant concerns into the decisions of institutions that drive national, local and sectoral development policy, rules, plans, investment and action". Meanwhile a similar definition comes from Nunan et al. (2012) who define mainstreaming as the integration of objectives into different sectors. Another definition is provided by Meijers and Stead (2004) who argue that policy integration concerns cross-cutting issue management in policy making that transcend boundaries of established policies.

Peters (1998) used a different term, policy coordination, borrowed from public policy and public administration perspectives. Although this is quite different from policy

integration, policy coordination reflects some similar features of how a policy issue can be addressed, merged or synchronised into a different policy area. In this regard, instead of paying more attention to the state of being coordinated, Peters offers a spectrum of coordination ranging from minimalist to maximalist. Thus policy integration can take shape in between minimum and maximum forms of coordination. Research on economic integration in Mercosur from Baer et al. (2002) demonstrates such integration needs policy coordination. Moreover, Peters argues that policy integration is important due to a number of changes in government such as dynamic environments, changed structures, fiscal development, demand for inter-organisational coordination, multiple agencies involvement in a sector and decentralisation agenda.

Another perspective that addresses policy integration can be borrowed from Pollitt (2003) who argues that Joined-Up Government (JUG) is a form of coordination of policy making and administration. The JUG approach was introduced and practised by Tony Blair administration from 1997 in order to deal with UK's fragmented bureaucracy (see 6, 2004, Kavanagh and Richards, 2001, Ling, 2002, Wilkins, 2002, Wilkinson and Appelbee, 1999). It marks the modern UK government organisations where vertical arrangement within single department was commonly in place. In principle, the JUG denotes the need for communication and harmonisation between various policy actors prior to policy making. Integrating a cross-cutting issue into a sector needs communication and harmonisation. This type of JUG's coordination among actors (government) can be achieved through mostly horizontal mechanisms. Therefore, the JUG approach and policy integration share something in common i.e. horizontal coordination between ministries/agencies. While the JUG approach tries to connect more horizontally across different departments, policy integration refers to both horizontal and vertical approaches.

Apart from this different direction of coordination, Pollitt interestingly highlights the different kinds of targets for coordination; who or what is government being coordinated for? It could be a group of certain policy stakeholders, a region or locality, or for a policy sector. When the aim of policy coordination is for a certain group of people, then the policy must include those whose interests are relevant to policy issues, regardless of the region where they come from. When policy making being coordinated is dedicated to a certain region or administrative territory, then only those who live in the targeted region regardless of their interests should be taken into consideration, vice versa. This perspective addresses an arrangement in government organisations that is similar to policy integration.

In addition, several studies on policy integration have been conducted in order to learn lessons from some practices in developed countries. Unfortunately there is no country that has succeeded in integrating policy in a strong sense. Most countries may manage to establish communicative integration, in the form of strong document-based strategies, but they remain poor in organisational and procedural integration (Weale, 2008). The case of Sweden may show the advanced integration process (of environmental policy) compared to other countries, as it manages more integration (Nilsson and Persson, 2009: 224-246). Sweden through its Environmental Bill in 1987/1988, for example, developed its environmental policy direction towards preventive and cross sectoral paradigm which resulted both in the use of economic and information policy instruments (Persson, 2004). On the other hand, Wurzel (2008: 180-201) found that Germany's experience in integrating environmental policy is still compartmentalised, while the UK's case shows its continuing reorganisation of departments rather than integrating policies into one policy (Russel and Jordan, 2008: 247-267). In brief, these studies show that generally policy integration may succeed in agenda setting, but mostly failed when it comes to practical implementation on

the ground. Such problems may be due to unawareness of lower hierarchical and subset organisations or the state of overloaded agenda within sectors. This is partly in line with reports and studies on mainstreaming generally which have less emphasis on organisational structure (Nunan et al., 2012: 262).

Although policy coordination is not necessarily presented as enabling understanding of policy integration in a specific sector, the distinction of top-down and bottom-up way of coordination provides useful understanding of the idea of policy integration in a broader context. The top-down approach here means central agencies or leading-ministries can establish co-operation among subordinate organisations (Peters, 1998: 307). This is an active integration in which a set of policies and instruments are defined. On the contrary, the bottom-up processes gives participants from the lower level more opportunities to get involved in policy coordination. According to Bornemann (2007) in Hogl et al. (2016) policy coordination aims at minimizing contradictions among policies, policy integration envisages common, integrated trans-domain policies.

While coordination can serve as the missing link for understanding policy integration in policy studies, it is often seen as the weak mechanism in integrating work across different sectors. This is partly because coordination denotes separation rather than merger. In order to measure the degree of policy integration within or across sectors, the taxonomy of types of relationship from 6 (2004) may illustrate the nature of policy integration taking place.

Table 5 Taxonomy of Types of Relationship

Category of relationship	Type of relationship between entities	Definition
Coordination	Taking into account	Strategy development considers the impact of/on others
	Dialogue	Exchange information
	Joint planning	Temporary joint planning or joint working
Integration	Joint working	Temporary collaboration
	Joint venture	Long-term joint planning and joint working on major project core to the mission of at least one participating entity
	Satellite	Separate entity, jointly owned, created to serve as integrative mechanism
Increasing closeness and mutual involvement (but not necessarily greater efficacy or collective action)	Strategic alliances	Long-term joint planning and working on issues core to the mission of at least one participating entity
	Union	Formal administrative unification, maintaining some distinct identities
	Merger	Fusion to create a new structure with a single new identity

Source: 6 (2004: 108)

From this taxonomy, coordination can be seen as the lowest level of integration form, ranging from taking into account, dialogue and joint planning. In this particular level, policy issues are separated from each other and are aimed to reach its respective goal. When a cross-cutting issue is introduced to a sector, then the sector would consider the impact of the incoming issue(s) on the sector's own policy issues before taking further action. Some studies suggest that policy integration may be well achieved when political commitment is in place (see Lafferty and Hovden, 2003, Mickwitz et al., 2009). When it comes to implementation, it is barely achievable. Thus, based on the table, integration should have been better undertaken through joint working, joint venture and satellite-type of relationship. At this point, policy integration among different sectors may work well, as the first two categories may fit neatly into this research.

The last type of relationship in the table is no longer a case of policy integration, as strategic alliances may be established if the issue is considered to be a long-term issue, and usually demand major organisational changes like acquisition, unification and merger. Therefore the issue of policy integration is no longer there; rather it leads to organisational integration.

The integration continuum above implicitly pictured in the taxonomy of relationship type shows two opposite directions of integration; policy integration and organisational integration. This taxonomy is helpful in understanding where policy and organisational integration meet in a continuum.

Policy integration on the one hand starts from a coordination category, and increasingly deepens from issues being taken into account, going through dialogue, to forming joint planning. Within this category, it would be easier to identify the degree to which policy integration has been achieved among and within organisations. From the explanation, this category does not suggest clearly the difference between vertical from horizontal integration. Instead it likely allows the two coming into existence either together or separately. The further level of 'integration' allows for more intensive work among organisations, not only in the planning stage, but also in sharing the ownership of the integration program.

Meanwhile the last category which is called 'Increasing closeness and mutual involvement' is more likely a form of organisational integration where two or more organisations tend to merge or unify into single entity, particularly the last two types of relationship. This might be the ultimate form of integration when different organisations turn to be a single simplified organisation.

Regardless of whether policy integration would eventually lead to organisational integration or not, this taxonomy provides a useful measurement to identify the level of policy integration being executed within a sector, and thus is part of the conceptual framework in this study. In other words, the taxonomy clearly provides the broad spectrum of policy integration, from the weakest integration, so called coordination, to the strongest integration which may no longer be policy integration, rather an organisational integration.

Policy integration, then, can be understood as the state of policy making process where one or more cross-cutting issues are taken into account in a particular sector. Such issues do not necessarily correspond to the sectoral goals, and thus it would take either a complete integration with the sectoral goals or an isolation from the rest of goals within the sector.

3.3.2 How Does Policy Integration Happen?

There are many ways of understanding how policy integration happens, in particular where various ideas, institutions and actors are involved in a policy making process. It includes not only the organisational arrangement in responding to policy integration like the roles of champions and boundary spanners, but also how far finance and human resources can be maximised by organisations in achieving common goals, as well as the surrounding political and governance context.

One way of understanding how policy integration happens is by looking at how the policy universe works. In an institutional setting, actors and institutions such as state, society and international system are recognised as policy actors that are connected one to another in a frame of policy universe. Scholars of public policy are aware of policy universe where policy subsystems like actors and institutions play important roles in policy making,

and where diverse ideas often come up in policy making process (Howlett et al., 2009, John, 2012). The policy universe has emphasised the importance of policy actors' role and institutions in dealing with more than one idea when making policy. This includes international system as institution beyond the state, as well as other policy subsystem, society and discourse community as illustrated by Howlett et al. (2009) below.

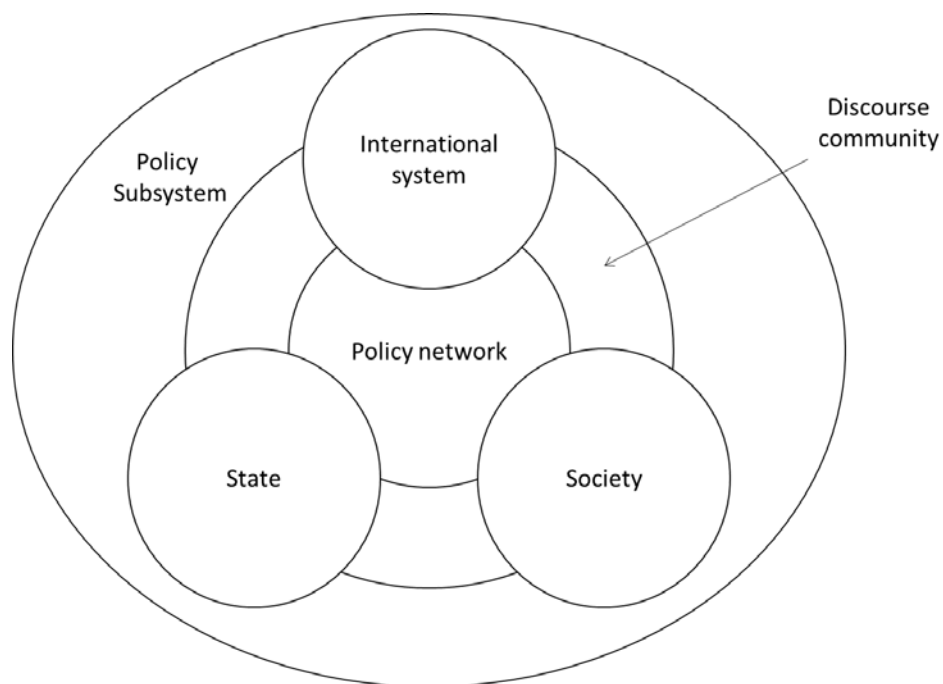


Figure 17 The Policy Universe and Policy Subsystem

Source: Howlett et al. (2009)

This kind of policy universe shows that policy subsystem, actors and institutions as well as the context of policy are keys to policy making wherein each of these can influence each other. The policy-making theories that were discussed in earlier section have described how such circumstance can take place, wherein different actors bring different policy issues in policy-making process. This explains why policy-making cannot take place without any influence from its environment. It is governance that underlines the processes and

interactions through which all kinds of social interests and actors combine to produce the policies, practices and effects that define current patterns of governing (see Bevir, 2010).

The policy universe above may include the significant change of the relationship between the state and society, and where political actors constrained by mobilized and organized elements in society, as well as sharing activities among states, non-states and international organizations. It needs political and governance context in order the policy-making to be functional. This includes integrity and accountability as well as ownership and awareness.

In relation to policy universe, integrity and accountability are usually the policy making elements that are commonly attached to the state, government or policy-makers. These two are not only often found in policy literature and policy documents that encourage ethical matters like transparency and proper attitude of public service delivery (see Armstrong, 2005, Dobel, 1990), but also in relation to public participation in policy making and public administration as a whole (see Rhodes, 2000, Abels, 2007). Thus the presence of integrity and accountability in policy integration is a necessity.

Although integrity can be very political (see Bellamy, 2012), the integrity of state or policy makers can be actually institutionalised (Hoekstra and Kaptein, 2012). It begins with knowledge, demands knowledge of the rules, complies with rules and is not necessarily popular morality, rather an ethical issue (see Kaptein, 2014). Bringing policy issues into a sector that does not correspond to the policy issue should possess some degree of knowledge as well as comply with applicable rules and regulations.

Based on Figure 17, between the state and society there a line of accountability, where the state as a policy institution has to be accountable in delivering service to the society. Kettl (2012: 8-10) argues that accountability refers to the foundation of bureaucracy

in a democracy because it is the ability of policy-makers to control administrator's actions. Furthermore, according to Kettl, accountability can be approached through legal boundaries, political changes and evolving policy problems. By having legal boundaries, accountability, in a narrow sense definition, would be defined subject to those written down and legally acknowledged. Those beyond legal boundaries would not constitute accountability, especially in a broad sense definition. Changes in political environment would also define accountability, as to where the state should be accountable to. Policy problem that evolves over time would define accountability in a way that public perception of a particular policy problem evolves.

In relation to policy integration, accountability is an important policy element in ensuring that any integration is in line with the interests of society. Not only that, accountability also relates to the challenges faced by modern organisations for example the challenges between centralisation and decentralisation, global and local, effectiveness and efficiency, between professional and line management, or control and commitment as well as change and stability (Carnall, 2007: 18-24).

The ownership and awareness of the policy issues are also important. These can show how determined the policy actor(s) is in promoting policy issues. Studies on ownership have shown some facts that political context really does matter in policy making (Meijer and Kleinnijenhuis, 2006, Walgrave et al., 2009). The success of policy integration partly depends on whose issues are being brought. Those who hold power and authority would possibly encourage others to adopt policy issues. Awareness, on the other hand, is also an important element of policy making in which all policy actors and stakeholders recognise the issue (Hurley and Hill, 1980, Zaller, 1990).

These all make up the so-called discourse community, a community that deals with policy-making process. The discourse community can vary from one situation to another, depending on the number of policy ideas being discoursed in policy universe and whether certain dominant policy idea(s) in place or not. The lesser ideas they have with dominant idea set can create hegemonic community, and will turn to be contested community in the absence of dominant idea. Meanwhile the more ideas they have to address, will likely lead to fractious or even chaotic community.

Table 6 Taxonomy of Discourse Communities

		Number of Policy Issue	
		Few	Many
Dominant Policy Issue Set	Yes	Hegemonic community	Fractious community
	No	Contested community	Chaotic community

Source: adapted from Howlett et al. (2009)

This taxonomy helps to understand the way policy integration is taking place in a sector wherein certain number of policy ideas take place. In the absence of a dominant policy issue in a sector, this will lead to either contested or chaotic community. On the contrary, when a policy is dominant, the community will turn to either hegemonic or fractious, depending on the number of policy issues taken into account. In the case of when a policy issue is brought into a domestic/sectoral policy-making process, the sectoral policy issue is likely to be dominant. Therefore, it is important to keep one or few policy issues dominant inside before having outsider issue coming in to the sector.

Policy integration may occur in these four types of community. In order to cope with chaotic, fractious or contested community, the role of boundary spanner(s) is essential. A boundary spanner is specialised in maintaining contact with other policy actors, bridging communication as well as exchanging information between internal and external entities

(Tushman and Scanlan, 1981). In relation to policy integration, the role of boundary spanning should deal with a number of different policies, interests, level of governance and so on.

In addition to this, Alderfer (In Mayhew, 2012) argues that organisation's boundary could take shape in the forms of organisational goals, roles, authority, information, human energy, time horizon and conflict. These boundaries are those that the boundary spanners should deal with. When it comes to goals, for instance, the boundary spanner needs to be certain about what goals are prioritised within the sector and aims their work toward the agreed goals. In relation to policy integration, compromising goals would rest not only on decision-makers but also the work of boundary spanner in advance. Defining the goals and ensuring that the goals can be achieved by organisation are also part of the boundary spanner does. Authorities and roles are other examples of how organisation is bound by internal necessity. The boundary spanners need to ensure that the authorities and roles of organisations are not disturbed by other institutions, although sometimes there is a need to have some degree of flexibility.

On the other hand, policy integration has also to satisfy certain requirements i.e. comprehensiveness, consistency and aggregation in order to have the policy integrated (see Underdal, 1980: 159). This is in line with policy integration that aims at increasing policy coherence, minimising possible contradictory policies and creating opportunities for win-win situations in terms of increased adaptive capacity and lower emissions (Kok and Coninck 2007). These requirements should also be part of the boundary spanner's job. Comprehensiveness should be sought at the input stage, covering space, time, actors and issue. Meanwhile aggregation means that overarching criterion is used to evaluate different policy elements, and consistency ensures those engaged are in agreement. These criteria

comprehensively illustrate the most completed integration that can be achieved within a sector. This should be important to value the comprehensiveness of integration, although it needs further specific measurements in each criterion.

Apart from meeting such requirements, from organisational point of view, Nunan et al. (2012: 263) presents three key characteristics of policy integration i.e. a deliberate process, multiple routes and/or outputs, and taking place across multiple levels of governments. These characteristics can also explain how policy integration happens. Deliberate process means that policy integration can only be done when there is preceded with a well-informed planning process and all necessary preparations that should be undertaken. Meanwhile multiple routes, outputs and actors involve various mechanisms or procedures with different actors from different level of unit or sub-organisations.

In terms of governance levels, policy integration may start penetrating policy arena from the strategic level wherein government produces strategies, and then embraces the upper level by employing policy instruments by defining objectives, managing resources as the inputs, processing these inputs, achieving policy output, and finally in the ultimate place the outcomes will be produced (Mickwitz et al., 2009: 20).

In order to promote the integration, each level should possess champions that lead the entire community at the level to do their jobs in accordance with the purpose of integration. Identifying the champions, thus, is central since the roles of them in encouraging others to replicate the successful story of the champions.

Literature on organisation recognises what is called champions. In a definition, champions are those who emerge spontaneously and informally within organisation and actively and enthusiastically promotes innovation and change to others for the good of the organisation (Howell and Shea, 2006). This championing roles played by an actor that has

the ability to influence others and facilitate changes in an organisation by demonstrating commitment, promoting innovation with passion and persistence, pulling together diverse groups of professionals, team-building, and developing informal networks to support them.

In addition, champions are different from seniority concept nor expertise background as they actively and enthusiastically promote change to others for the good of the organisation (Mantere, 2005). From these perspective we may conclude that champions actually refer to individuals rather than institutions. The other type of actor that should be acknowledged in a boundary spanner. Boundary spanners defined as “individuals who have a dedicated job role or responsibility to work in a multi-agency and multi-sectoral environment and to engage in boundary spanning activities, processes and practices (Williams, 2010). This boundary spanner plays the important roles in engaging each other, given that there are various institutions involved in the forestry sector in responding to climate change agenda. Based on the discussion, both champions and boundary spanner actors have significant role in facilitating integration as the state of change in an organisation.

In public organisation which is commonly described as bureaucracy, intra-organisational process follows certain rules and discretions. Bureaucracy, as described by Weber, strongly emphasises specialist rather than generalist, impersonal rather than personal, hierarchical and fixed payment (see Peters, 2010, Peters, 1998, Mintzberg, 1993). Given the specific function and characteristics of each sub-organisation, coordination can be done horizontally across different sub-organisations. The integration can be promoted in every sub-organisation within organisation and thus require horizontal coordination.

On the other hand, another option is to establish a new sub-organisation to handle the integration alone without disturbing other established functions of original sub-

organisations. The latter option requires vertical coordination from above. These characteristics of bureaucracy, therefore, influence the way policy is integrated. For instance, as a policy being integrated is normally beyond its individual responsibility, it would require additional resources like specialist and less or more hierarchy (structure).

Similarly, in terms of inter-organisational process, vertical and horizontal process can be arranged across different organisations. The most likely differences to occur are when it comes to authority and exchange issues (Hill, 2009: 239-253). Some organisations may or may not wish to be sub-ordinate of other organisations for the sake of policy integration. Some organisations may be more superior over others, in terms of resources, prestige or historical reasons.

Finance and human resources are correspondingly important in promoting policy integration. Without support from such resources, policy integration would be unlikely to happen in the sector.

3.3.3 Organisational Arrangement for Policy Integration

This section reviews organisational arrangements that have been adopted to facilitate policy integration, including agencification, and the impact of siloed organisations on the potential for policy integration.

Hill (2009: 215) argues that a policy process, particularly when it comes to implementation, is very largely an organisational process which involves work within and between organisations. This might, to some extent, contradict the taxonomy of relationships from 6 (2004: 108) which implicitly distinguishes policy from organisational process. The process includes how the organisational resources are mobilised to execute

what has been decided. Without such process, it would be difficult for a policy to have an impact or make a difference.

When it comes to organisational arrangements, there are two basic approaches that have been identified as having been adopted to facilitate the integration of policy i.e. vertical and horizontal approaches (see Jordan and Lenschow, 2008, Nunan et al., 2012). In relation to this, Hill (2009: 216) emphasises the importance of inter-organisational processes through both vertical and horizontal arrangement. Although both are conceptually easy to distinguish, in practice, they are hardly found separately.

Vertical integration refers to integrating policy within sectors, involving hierarchy or different sets of organisational levels. In organisational literature, a great deal of original contribution is acknowledged from Pressman and Wildavsky (1984) to the discussion of vertical dimension. The “distance” between central and local arrangements highlights how a vertical approach should be undertaken. Vertical approach lets the sector comprehend the policy integration based on their own understanding, and may lead to similar policy direction within sector.

In contrast, horizontal integration takes place across different sectors where a policy is integrated into sectors uniformly lead by a certain or appointed sector. The horizontal approach could be more haphazard and mixed strategy of policy integration in which each sector could adopt .

Lafferty and Hovden (2003) define vertical policy integration as the integration of [sectoral] issue within a sector with no overarching [sectoral] goals and relatively loose cross-ministerial coordination (p. 12), as opposed to horizontal policy integration which uses cross-sectoral approach, led by certain ministry in charge with a more permanent inter-

ministerial body (p. 14). An illustration to contrast between vertical and horizontal integration can be seen from figure 18 below.

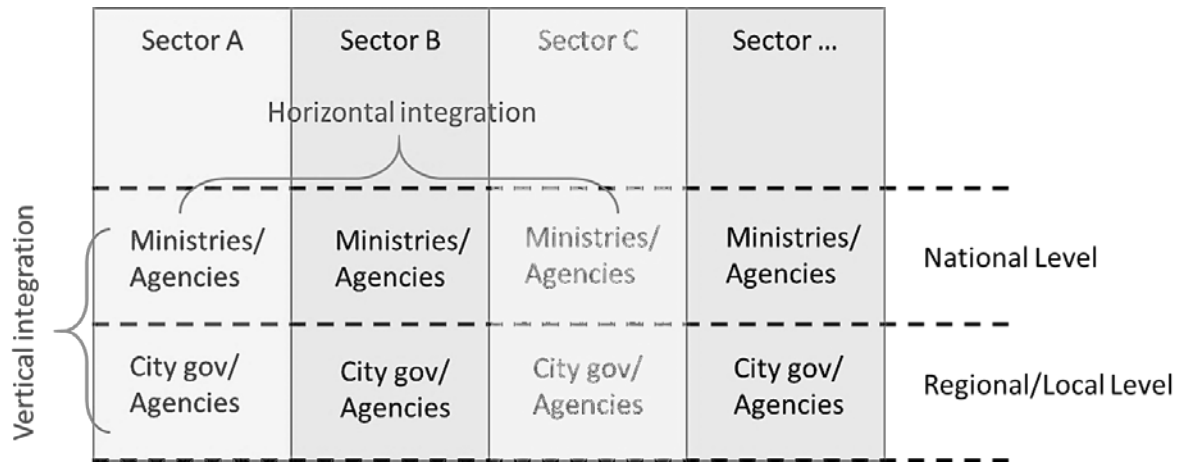


Figure 18 Vertical and Horizontal Integration

Source: adapted from Mickwitz et al. (2009: 21)

Vertical integration takes place within the same policy field or a sector. Coordination goes through from ministerial level to its sub-ordinates or units hierarchically, to either a designated unit in each level of organisation or commonly all units within organisation. This vertical integration infers similar interpretation within sectors or ministries. For instance, when the MoF employs vertical arrangement in integrating climate policy, that means the MoF set a policy direction from the top level to the lowest level of the ministry. This is applied only within the ministry, and no other institutions beyond the ministry involve in such arrangement.

Another type of vertical arrangement is an approach that goes down across level of government, that is from central government (or the ministry) to local government (province and district). This is where there are two level of governance that should carry out similar policy direction. The policy that has been set up at central government is transferred and translated into local context for the implementation.

Therefore the term of vertical integration is used in two different ways i.e the first one is an arrangement within a sector, and the second one is that applies and goes across level of governance.

In contrast, horizontal integration creates general principle across different sectors and ministries at national level and standardised integration across ministries, but infers different interpretation across sectors. Though there is possibility to adjust some necessary arrangements with contextual sector when it comes to vertically implemented within sector.

However, in relation to horizontal integration, one particular challenge that may affect the integration process is the existence of organisational silos. This is the situation where a sector tends to fight for its own sectoral objectives rather than being more accommodative to the other new incoming issues. This form of fragmentation can happen in organisational arrangements when a group of people or employees develop their loyalty to the group or sector rather than to their employer or their wider superior (see Bryan and Joyce, 2005, Diamond et al., 2002, Peters et al., 2010). Clearly addressing a more common agenda like a cross-cutting issue cannot be achieved by sectors in isolation. The problem of organisational silos often occurs at national level, where each ministry tends to maximise and work in isolation in order to fulfil its sectoral function and rather than to achieve common outcomes resulting from collective work of related ministries. Addressing climate change is no exception. As a cross-cutting issue that covers multiple sectors, achieving climate policy agenda cannot be done by one single sector. Silo behaviour would undoubtedly obstruct the achievement of this policy agenda.

In practice the differentiation between vertical and horizontal integrations is not always clear, as both can exist and be employed at the same time. Yet, the silo problem can be seen and understood from this arrangement. Following illustration can be drawn,

adapted from Nunan et al. (2012: 271) shows the combined model of vertical and horizontal integration.

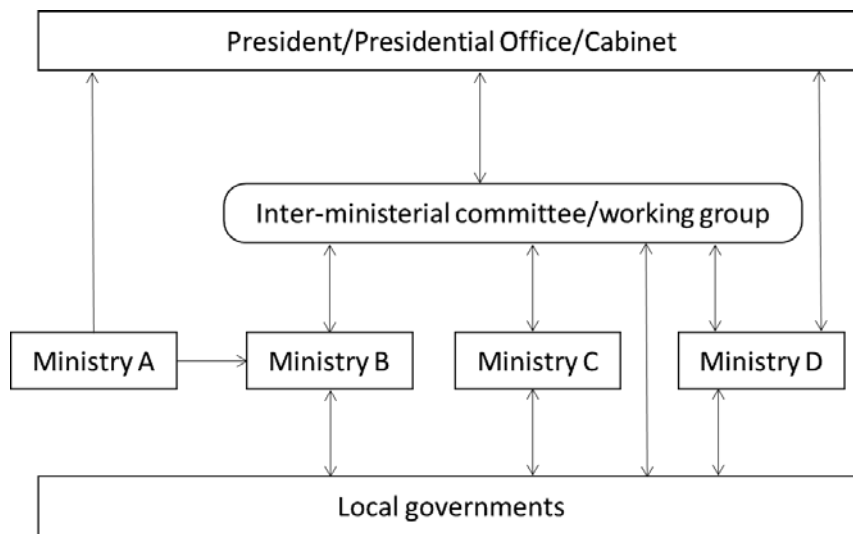


Figure 19 Combined Model of Vertical and Horizontal Integration of Organisational Structures and Policy

Source: adapted and modified from Nunan et al. (2012: 271)

From this illustration, the ministry of A serves as a coordinating institution in coordinating other ministries to push and create cooperation among them. At the same time, a senior ministry takes a lead by producing guidance, helped by inter-ministerial body to mobilise ministries in adapting policy integration. This kind of integration can be done among ministries at central government.

If a ministry tends to be a siloed organisation, it would be more difficult for other partnering ministries to achieve their common agenda. The siloed ministry may achieve its sectoral and cross-cutting policy effectively within the sector, but it may not be really helpful in terms of achieving common goals by all sectors. Thus silo behaviour is inevitably a threat to the effectiveness of integration.

In the absence of a legitimate, powerful and respected authority, the ministry of A would find it difficult to influence other ministries in such arrangement. Therefore, there are

some key issues worth noting to identify in understanding what existing approach can be used such as source of guidance (see Jordan and Lenschow, 2010), the strength of coordination (see Lafferty and Hovden, 2003, Meijers and Stead, 2004, Anja and Ewald, 2006), standardised practice of integration and reporting system (Lavenex, 2008). When there is only one institution producing guidance, then it is most likely horizontal integration is being employed. In the case when the guidance is being produced by the Presidential office or cabinet office, then the integration is likely to be more vertical rather than horizontal. Consequently, there is a uniformed or standardised instrument used across different sectors. The presence of inter-ministerial body would also indicate the use of horizontal integration, where ministries report the progress of integration to the body. On the contrary, vertical integration is employed when multiple organisations produce guidance, whilst uniformity exist within sector. Instead of reporting to inter-ministerial body, each sector creates its own reporting system within a sector.

In order to encourage support from ministries, the role of champions in relation to horizontal (and vertical) integration is essential (Hull, 2008, Kaiser and Prange, 2002). Integration is all about changes, and thus champions and their roles in a changed organisation are important, particularly in terms of readiness and encouragement (see Thompson, 2009, Armenakis et al., 1993). Champions in this arrangement means that a ministry or a sub-ministerial organisation that has successfully demonstrated its capacity to promote policy integration, and such achievement is expected to inspire other units to replicate and do the same. In Figure 20, the champion can be played by any ministry, not necessarily the ministry A.

Organisational arrangement not only takes place at ministerial level, but also at organisation beyond ministerial level. The establishment of a separate organisation beyond

ministry often takes place. This makes related ministry serve as the superior and the new established one as the agency. This is well explained in agency theory, which focuses upon the agency or contract relationship in which superiors (the principals) mandate work to their subordinates (agents), who perform the work (Eisenhardt, 1989, Kettl, 2012). The theory explains that the two sides operate through a contract, in which the result will be only as good as the agreed contract. This kind of situation is often found in business-like organisations and is increasingly implemented in government bureaucracy.

Since siloed organisations applied mainly to the form of ministries representing sectors, then another form of organisational arrangement is needed: agencification. In relation to this, public administration systems have been disaggregated into a multitude of different kinds of (semi-)autonomous organisations, denoted as agencies or quangos (Pollitt, 2004, Verhoest, 2011, Flinders, 1999). This is called agencification. It corresponds to the disaggregation of organisations as a result of vertical and horizontal specialisation process (see Christensen and Lægreid, 2007, Verhoest and Verschuere, 2002). Similarly Van Thiel and team (2009) defines agencification as the creation of semi-autonomous organisations that operate at arms' length of the government to carry out public tasks (regulation, service delivery, policy implementation) in a relatively autonomous way i.e. there is less hierarchical and political influence on their daily operations, and they have more managerial freedoms. Lastly, more emphasise being put in the new function of a newly created organisation.

... the process of formalizing roles and missions in organizations with spatial boundaries and formal identities, either by devolution of functions from the core organization or the creation of new organizations for performing new functions (Levi-Faur, 2011: 814).

From these understandings, it can be understood that agencification can be a process of either the creation of a new agency or the vertical and horizontal disaggregation

of ministry, which is characterised by (semi-)autonomous, less hierarchical, less political, managerial freedom and specialisation. Therefore, the basic idea of agencification is to separate and/or create task-specified organisations, with a certain degree of autonomy in decision-making and accountability over finances and personnel (see Beblavy, 2001, Pollitt, 2004, Verhoest, 2011). The idea of either separation or the creation of agency is hardly new, and were already in existence much earlier than the era of the New Public Management (NPM) (see Greve et al., 1999, Schick, 2002, Wettenhall, 2005, Verhoest, 2011). However, the NPM-style agency, in which merit is the main characteristic of the agency, could be itself considered new. This type of agency was originally propagated by Anglo-American governments, and widely promoted by international organisations including the OECD, the World Bank and the IMF (Verhoest, 2011).

Meanwhile, agency is defined as an administrative organization with a distinct, formal identity, an internal hierarchy, functional capacities and at least one principal (Christensen and Lægreid, 2007, Pollitt, 2004). As a result of agencification, an agency is often seen as different from the (parent) ministry (Levi-Faur, 2011), although both are parts of the government’s institutions. What makes it noticeably different is particularly the (performance) contract that is negotiated between the two.

In relation to this, there are three different types of agencification, spanning from a very government-like organisation to a very business-like organisation. These three share several in common, one of which is government and/or public policymaking intervention in the process. A detailed comparison of the three can be found below.

Table 7 Comparison of Agencification Three Types

Comparing items	Agencification		
	Type 1	Type 2	Type 3
Main	The core government	Legally independent	Private law-based

characteristics	type	organisations or bodies	agencies
Legal independence	No	Yes	Yes
Management	Semi-autonomy	Autonomy	Autonomy
Legal basis	Public law	Public law	Private law
Agency Examples	<ol style="list-style-type: none"> 1. The Next Step Agencies (UK) 2. Contract/executive agencies (the Netherlands) 3. The 'agenzia' (Italy) 4. The 'direct' agencies (Germany) 	<ol style="list-style-type: none"> 1. The 'public establishments' (Italy, Portugal, & Belgium) 2. The 'zelfstandige bestuursorganen' (the Netherlands) 3. Non-departmental public bodies (UK), 4. Statutory bodies (Australia, NZ) 	<ol style="list-style-type: none"> 1. Commercial companies, state-owned companies or enterprises 2. Government foundation

Source: summarised from Verhoest (2011)

Yet, NPM-led agencification has received many criticisms, as it promotes excessive proliferation of (public) organisations detached from the government's arm, as well as a lack of coordination among public sector and the loss of economic scale due to the multiplication of resources used (Christensen and Lægheid, 2007).

Pollitt (2004) argues that the central elements making up the core of agencification are *structural separation*, *managerial autonomy* and *managerial accountability*. Structural separation can be achieved by dividing bureaucracy both vertically and horizontally. When a government agency is split into two or more agencies, one of them usually becomes the parent ministry, in charge of core affairs, while the others carry out specified or smaller tasks.

Previous studies show that agencification can take place in both supra national terrain, i.e. on an international and regional basis (see Levi-Faur, 2011), and national and domestic terrain, where mainly the central government decentralises one or two of its functions to newly established agencies (see Verhoest, 2011, Randma-Liiv et al., 2011). A

number of studies on agencification have been conducted, for instance in the case of European countries, but only a few exploring further in Asian countries' cases, including Indonesia. Central and eastern European countries, for instance, have been experiencing the rationalization of the agency landscape (Randma-Liiv et al., 2011), as opposed to what is happening in most western Europe (Van Thiel and team, 2009).

In the particular context of Indonesia, Resosudarmo et al. (2013) indicate the complexity of climate governance in the forestry sector as more institutions and organisations beyond the Ministry of Forestry (MoF) get involved in similar tasks of addressing climate change in the sector. Meanwhile, a recent study from Mulyani and Jepson (2013) on REDD+ and Forest Governance in Indonesia has also shown evidence specifically of the influence of REDD+ in forest governance and presented historical challenges, like the lack of coordination, capacity and ambiguity, despite its promise to improve forest governance. Yet the study does not provide us with a comprehensive picture of what is happening to the organisational arrangement in forest governance.

3.3.4 Conclusion

Policy integration is rarely discussed in policy making theories. However there are other terms such as coordination, JUG and policy universe that address similar ideas to policy integration. Indeed, these terms are quite different from policy integration, but they are helpful in understanding how policy integration can be done within an organisation.

Understanding policy universe is also important to comprehend how a policy issue is discussed among policy actors and stakeholders whose interests may conflict with each other. In relation to policy networks, the connectivity among actors and institutions form certain agreement on certain policy issue. However, whenever the number of policy issues

exceed the original policy issue in a sector, this will likely to create fractious or chaotic community.

The mechanism of policy integration shows how it is done among ministries and agencies, either vertical or horizontal integration. The vertical integration refers to process of integration within the same sector. There are two ways of how vertical integration can be done, (1) those within sector or ministerial organisation, and (2) the arrangement that is done across different level of governance, which includes national level down to regional and local level.

Whereas horizontal integration refers to a kind of coordination among different ministries and agencies using the same guidance or policy direction in addressing and integrating a particular policy issue.

Barriers and challenges to policy integration can be competing issues being integrated within sector, sectoral goals or interests, institutional arrangement in both national and local level, line of accountability, and financial resources management.

3.4 The Analytical Framework

From the literature review, an analytical framework has been developed that provides a practical tool to guide the research in structuring the findings in relation to the research questions, as well as in designing and conducting analysis. A range of theories and models of policy making from rationalist and incrementalism to elite dominance and institutionalism have been reviewed to identify how policy processes may enable or constrain the scope for policy integration.

The framework shows three areas and lenses for looking at policy making that address policy integration namely process, structures, and actors. A further review of these areas demonstrates connectedness between the three in a reciprocal way. The following illustration demonstrates how the areas relevant for investigation in relation to policy integration.

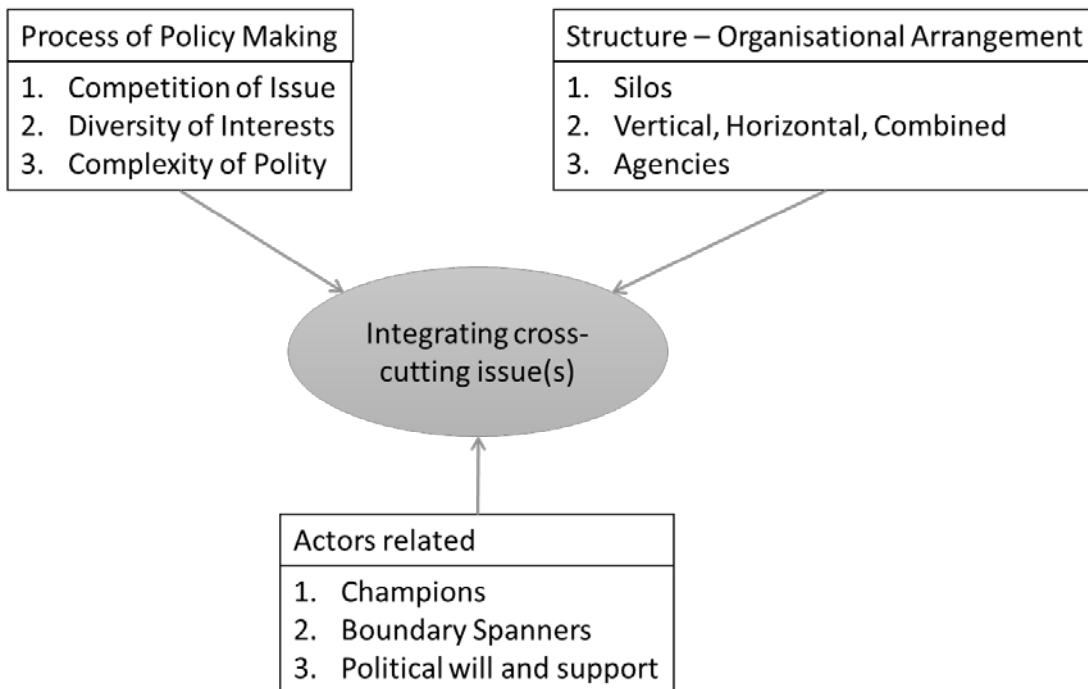


Figure 20 The Analytical Framework

Source: prepared by the researcher

The first perspective looks at policy making as a process in addressing policy integration. It arrives at three recurring themes i.e. competition of issues, diversity of interests and complexity of policy. The state of diverse interests also implies policy making arena is not a homogenous entity wherein different information and conflicting views exist. Chapter 5 and some parts of chapter 7 engage with this first perspective.

The second area concerns the organisational arrangements within government that affect the extent and nature of policy integration. This leads to a number of arrangements in

government organisations that affect the process and outcomes of policy integration, which include silos mentality, vertical/horizontal or mixed arrangement, and agency establishment approach. These are all parts of how a sectoral ministry have responded to cross-cutting issues.

Lastly, the roles of actors in policy making at any level of governance are central to the promotion of policy integration. Champions and roles are as important as boundary spanners in enabling policy integration in the policy making. In addition, political will and support as well as the governance context also present the enabling factors and constraints to policy integration.

Chapter 4 Research Design and Methodology

4.1 Introduction

This chapter sets out the philosophical approach underpinning this research, the research design employed, followed by the methodology used by the study and subsequently the methods of data collection and analysis of data. The chapters discusses ethical issues that were considered and addressed throughout the research including the positionality of the researcher as both an Indonesian and a government officer in relation to his interaction with informants.

4.2 Contrasting Research Paradigms

Policy research has been described as being polarised into policy studies and policy analysis (Ritchie and Spencer, 2002, Howlett et al., 2009, John, 2013). The division between the two often results in contrasting characteristics of research e.g. narrative, interpretive and subjective in policy studies as opposed to less narrative, positivist and objective in the latter account (see Jenkins-Smith and Sabatier, 2003, Sabatier, 2009). Such distinctions tend to be polarised into two different approaches. Choosing an approach in conducting research has further implications for determining the appropriate research design and methodology (Bryman, 2012, Creswell, 2014, De Vaus, 2001). These distinctions apply not only to particular research work on policy but also to other research in other social science fields. This research emphasises more on how a policy making process responds to policy

integration, rather than analysing the particular content of a certain policy and thus can be categorised as part of policy studies.

In relation to philosophical position, it is important from the outset to determine or choose which ontological and epistemological positions are utilised throughout the study. Although it remains largely hidden in research (Slife and Williams, 1995, Creswell, 2014), being aware of and choosing this kind of position in conducting research from the outset is essential. As Grix (2004) argues, ontology and epistemology are essentially the basic foundations of research that determine the research design and process, including the nature of research questions and which methods are employed. Furthermore, any research should possess certain ontological and epistemological roots, in order to select an appropriate method for the research (Grix, 2001). Therefore, this section discusses research paradigms, i.e. ontology and epistemology, and provides a rationale for why a position is taken in determining the research design and methods.

4.2.1 Ontology

Ontology assumptions are concerned with the nature of social reality or social entities (Bryman, 2012). These assumptions make claims about what kind of social phenomena do and can exist, the conditions of their existence, and the ways in which they are related (Blaikie, 2010: 92). An ontological position is an answer to what reality is, or what can be said to really exist. Investigating ontological distinctions is a critical start of the research process as it enables the researcher to discover how their perceptions of human nature impact on the approach they consciously adopt to reveal social truth (David and Sutton, 2004). Accordingly choosing an ontological assumption will affect how the researcher approaches science and research.

Traditionally there are two contrasting ontological positions: objectivism and constructivism (Bryman, 2012, De Vaus, 2001), or in another way, Bernstein (2011) dichotomises between objectivism and relativism. Both are contrasted in many ways such as in terms of implications, how they affect research design and chosen methods (Vrasidas, 2000), and whether there is a choice between them (Hazelrigg, 1986). Each of these positions has a different way of understanding reality and thus it cannot be said that one is better than another.

Objectivism is defined by Bryman (2012: 713) as “an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors”. Meanwhile Saunders et al. (2012) offer a definition in which objectivism “portrays the position that social entities exist in reality external to social actors concerned with their existence”. Both definitions highlight the independence of phenomena from social actors. As it is independent of the human mind and influence, the real world exists objectively and can be modelled through symbol manipulation i.e. symbols that represent objects. In this case, there is a clear distance between the researched and the researcher. The researcher does not have any influence on any on-going event being researched. Studies employing this ontological position are mostly natural science-related studies as well as quantitative-based social research that present a firm theory(s) at the very beginning of the research work and try to test the theory throughout the research process. Economics and policy research are among few of the social sciences that frequently utilise this ontological position, due to their analysis utilising numbers and quantitative figures.

On the contrary, constructivism or constructionism refers to “an ontological position that asserts that social phenomena and their meanings are continually being accomplished by social actors” (Bryman, 2012: 710). In earlier literature, Spector and Kitsuse (1987)

suggest that constructionism (instead of constructivism) concerns the thesis that a social problem is constituted by the activities of individuals or groups making assertions of grievances or claims with respect to some putative conditions. Clearly this position is antithetical to objectivism. This means that social actors cannot be separated from social events and their presence influences the way they understand the social phenomena surrounding them. Studies utilising this ontological position are widely found in social research and usually seek information on the quality and depth of something, rather than a logical causal relationship. This is in line with 6 and Bellamy (2012: 30) who argues that social science involves the study of meaning.

Having discussed these two contrasting ontologies, research ought to arrive at one particular position, either the previous or the latter. Although the researcher believes that both contrasting ontologies have strong stance respectively in viewing and understanding reality, the researcher takes constructivism as the ontological position for conducting the research on the basis that:

1. The aim of this research is to investigate the extent and implications of responding to a cross-cutting issue in a sector.
2. The research seeks the meaning of policy integration in relation to policy making process that involves numerous and different issues at the same time.
3. It is clear from the literature review that processes of policy integration cannot be seen as a stand-alone event, since there are other factors and actors influencing the process.
4. Assuming that the policy integration process is free from social actors would put the understanding of the events at risk of having a more rationalist and simplified explanation rather than a meaningful and deeper insight.

Yet, in order to enrich and strengthen analysis, in some cases, the research may include evidence obtained during the data collection. Such evidence could help bringing clarity to some background information as well as to some analysis of particular data.

Having chosen this ontological position, the epistemological position is set out, which guides the selection of the research design and methods as discussed in the following sections.

4.2.2 Epistemology

Choosing epistemology is a necessity in research, as a part of the consequence of having an ontological position beforehand. It is not possible for research to possess an ontological position without having any further epistemological stance.

Bryman (2012: 27) argues that “epistemology concerns the question of what is or what should be regarded as acceptable knowledge in a discipline”. Epistemology assumptions refer to what kinds of knowledge are possible, how human can know this and with criteria for deciding when knowledge is both adequate and legitimate (Blaikie, 2010: 92). The epistemological approach is consequently usually chosen as a result of taking a certain ontological position.

Similar to ontology, regardless of variation suggested by scholars, epistemology has also been polarised into two contrasting positions, between positivism and interpretivism (Bryman, 2012). A slightly different contrasting position is offered by Von Wright (1973) who depicts the epistemological clash in social science as being between positivism and hermeneutics. Each of these define how to know the researched in different ways, as a consequence of its ontology.

Guthrie (2010) argues that positivism is characterised by seeing the world and people as being objective, the independence of data and treating data as scientific evidence, looking for causality between variables, and the scientific method being employed. Positivism is originally a method of natural science to study social reality and beyond (Bryman, 2012: p.28) and is seen as a scientific rather than normative approach. This epistemology is in line with objectivism where the researcher is at a distance from the researched.

Interpretivism, in contrast, is an opposing epistemological position that entails social scientists seeking to understand the subjective meaning of social action (Bryman, 2012: p.712). From an interpretive point of view, reality is not something out there which a researcher can explain and describe, rather it is reproduced and constructed through communication, interaction, and practice. In relation to this, interpretivism promotes the value of qualitative data in pursuit of knowledge (Kaplan and Maxwell, 1994). In addition, interpretivism places the researcher and the researched in the same position to construct and reproduce reality, rather than separately at a distance (Tracy, 2012). In other words interpretivism views reality as not objectively determined, but rather as socially constructed.

Having chosen constructivism as the ontological position, this research, consequently, is employing interpretivism as its epistemological position, as throughout the research work, the researcher is involved in the process and gains subjective meaning of the researched, and seeks to understand the subjective meaning and experience of policy integration from individuals.

4.3 Research Design

Having chosen the ontological and epistemological positions for the research, the following step in the research process is to determine the research design as the means to acquire the

objective of the research. This section discusses the research designs that are commonly understood and employed in social research.

Research design is different from method. De Vaus (2001) argues that research design is more than just a work plan that sets out what has to be done to complete the project, instead the work plan will flow from the research design. Blaikie (2010: 15) defines a research design as “an integrated statement of and justification for the technical decision involved in planning a research project”. Gorard (2013), on the other hand, argues that it is “a way of organising a research project or programme from its inception in order to maximise the likelihood of generating evidence that provides a convincing answer to the research questions for a given level of resource”. Meanwhile, Kumar (2011) defines it as a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically. Similarly, in a brief definition, research design refers to the plan or strategy of shaping the research (Henn et al., 2009). These definitions suggest that the purpose of a research design is to guide and organise the entire research activities into logical and technical steps in order to achieve or answer research questions. In principle, a research design is prepared prior to data collection and analysis can commence.

A research design has at least two main functions i.e. the first relates to procedures and logistical arrangements required to undertake the research, and the second emphasises the importance of quality in the procedures to ensure validity, objectivity and accuracy (Kumar, 2011, Creswell, 2014). The research design determines that the research conducted can meet criteria of reliability, replication and validity (Bryman, 2012). Reliability refers to the potential to achieve repeatable results of the research. The idea is to ensure that the research has a consistent result if it is done by others. Replicability is similar to repeatable but it is closer to a quantitative-based research (see Bryman, 2012).

4.3.1 Research Design Choices

There are various research designs that can be grouped into three different research approaches i.e. quantitative, qualitative and mixed methods (Creswell, 2014, Blaikie, 2010, De Vaus, 2001, Gorard, 2013). The quantitative design can be experimental or non-experimental. Research undertaken with an experimental research design seeks to determine if a specific treatment made by the researcher influences an outcome by controlling the researched environment (Bryman, 2012, Creswell, 2014, De Vaus, 2001). Usually this kind of research design is used in a laboratory where the environment is completely controlled. A non-experimental design provides a quantitative or numeric description of trends, attitudes, or opinions by a population (Creswell, 2014). These designs are preferred by researchers with positivist views where quantitative figures matter.

The qualitative approach, in contrast, provides depth and meaning of the researched rather than numbers and quantitative portrayals. It originates from anthropology, sociology, humanities and evaluation (Creswell, 2014, Patton, 1990, Silverman, 2011). Those categorised within this approach are narrative research, phenomenology, grounded theory, ethnographies and case study designs (Creswell, 2014). In narrative research, the researcher studies the lives of individuals and asks one or more sources to provide stories about their lives (Lieblich et al., 1998, Sandelowski, 1991). The stories are retold and re-storied by the researcher, often as a combination of the researched and the researcher's view. Quite similar to narrative research, in phenomenological research, the researcher describes the experience of a participant, but this time concerning a particular phenomenon, mostly in psychology or philosophy sciences (Giorgi, 2009, Lester, 1999). The last two designs i.e. grounded theory and ethnography, strongly emphasise depth and quality of data. Both

require a high level of involvement of the researcher in the on-going researched event (Bryman, 2012, Creswell, 2014). Finally, a case study develops an in-depth analysis of a particular case that is bounded by time and activity. A more detailed explanation of case study design is given in the following sub-section on case study design.

Lastly, the approach of mixed methods that combine both quantitative and qualitative approach can be used. According to Gorard (2013) the dichotomy between quantitative and qualitative is artificial and not really helpful. The mixed method in summary, the alternative research designs, based on its respective approach, can be seen in Table 8 below:

Table 8 Alternative Research Designs

Quantitative	Qualitative	Mixed Methods
<ol style="list-style-type: none"> 1. Experimental designs 2. Non-experimental design 	<ol style="list-style-type: none"> 1. Narrative research 2. Phenomenology 3. Grounded theory 4. Ethnographies 5. Case study 	<ol style="list-style-type: none"> 1. Convergent 2. Explanatory sequential 3. Exploratory sequential 4. Transformative, embedded or multiphase

Source: Creswell (2014: 12)

Some scholars accept only a quantitative way of thinking, others prefer to utilize the qualitative one. The dispute is a logical consequence of contrasting ways of thinking. Similarly, there is a dispute on the mixed methods. Bryman (2012: 629) admits that there is a dispute among scholars between those who accept mixed methods and those who are against the method. Mainly those who oppose the methods tend to be based on arguments that either two paradigms are separate or commitments to chosen epistemology. However, Bryman (2012: 633) also suggests that the method offers many advantages, as they can offset where either quantitative or qualitative method have both weaknesses and strengths, and thus combining both allows them to strengthen each other. Explanation is also an advantage of having both methods, as one of them can help explain findings that are

generated by the other. Other benefits of having this method are completeness, triangulation or greater validity and understanding unexpected results.

4.3.2 Case Study Design for the Research

Case study, as explained above, is one of the research designs categorised as a qualitative approach. A case study design is based upon the assumption that the case being studied is atypical of cases of a certain type and therefore a single case can provide insight into the events and situations prevalent in a group from where the case has been drawn (Kumar, 2011).

Though case study is widely accepted as a particular research design, case study is not free from criticism. A case study is not always considered as a research design (see De Vaus, 2001, Gorard, 2013), particularly from the scientific approach, and allegedly has certain limitations of generalising (6 and Bellamy, 2012, Flyvbjerg, 2006, Gomm et al., 2000). This generalisation capacity, which is understood as the contributing factor to scientific development, is seen as a key problem of case study design. Flyvbjerg (2006), in addition, identifies three²³ more criticisms including (1) a case study is less valuable than general-theoretical design, (2) a case study is only useful for generating hypotheses, and (3) it is biased and hard to verify. These criticisms are seen as the disadvantages of case study design in the research world.

Having these criticisms and misunderstandings, the case study design, conversely, offers advantages in doing research compared to other research methods. Firstly, a case study design is helpful in exploring the depth of the case analysis (Creswell, 2014). This

²³ The author has identified 5 misunderstandings of case study, however, two of them are identical that is in relation to generalisation capacity of case study.

means that, a case study provides a more extensive analysis, not merely focusing on causality between two or more determined variables. Furthermore 6 and Bellamy (2012: p.103) argue that case-based research (CBR) enables considerable depth and comprehensive coverage of a single case and contributes to the development of theory.

Secondly, a case study allows replication as the experiment designs do and thus also provide fundamental contributions to the area researched. De Vaus (2001, p. 238) argues that replication in case study enables theory generalisation in which the study can be repeated, unlike those in experiment-based design which rely on statistical generalisation. This is in line with what Yin (2003) argues that a case study approach could also create generalisation which is an analytical, rather than statistical generalisation.

Thirdly, while the development of causal explanations in any experimental design has been a serious concern of historian, a case study can offer more than just an exploratory strategy as it establish an in-depth analysis rather than just causal relation (Yin, 2003).

In studying integration of a cross-cutting issue into policy, the selection of a country case study is appropriate. For this research, Indonesia was selected as the case study, with focus on the forestry sector. The researcher selected case study design for this research for at least four reasons. Firstly the research aims to understand the influence of policy integration on a government sector from participants' points of view. In this regard, a case study allows the researcher to obtain participants' view.

Secondly, sectoral policy making is complex in Indonesia, the researcher clearly has little or no control over contextual behaviour of participants and institutions²⁴. Indeed, the researcher is an Indonesian and at the same time as a government officer that may make

²⁴ Unlike experimental design wherein the researcher has a stronger ability to control or manipulate his/her participant's through experimentation.

access easier to policy makers. But that does not mean that the researcher has capacity to control the researched.

Thirdly, there is an opportunity to replicate the study in a further study to strengthen the research findings. This research is limited by time and space. A case that is taken is specifically within those under the previous administration only, and it is weighted largely at central level policy. Thus there is an opportunity to replicate the case to a wider spectrum, not only at national level but also vertically to local context.

Lastly, the depth of analysis can only be obtained through using a case study, where the researched is localised and narrowed down in terms of time and space. The depth of analysis is more important in Indonesian context to gain more understanding of what is going on in the sectoral policy making, rather than just testing hypothesis or doing an experiment. This is because the study investigates the extent and implications of responding to climate change as a cross-cutting issue in Indonesian forestry sector that includes mainly the roles of forestry sector authority like the Ministry of Forestry of Republic of Indonesia (MoF). This is in line with De Vaus (2001: 220) who argues that a case study seeks to understand a unit or an object of the study as a whole, and Guthrie (2010: p.66) argues that case study methods try to find out what a given situation particularly means to participants.

4.4 Data Collection

Data collection was undertaken during approximately 6 months of fieldwork, between January and June 2014. The main instruments used to collect data were interviews and document review. The researcher made a prior contact and correspondence with the MoF in advance to secure formal and non-formal communication.

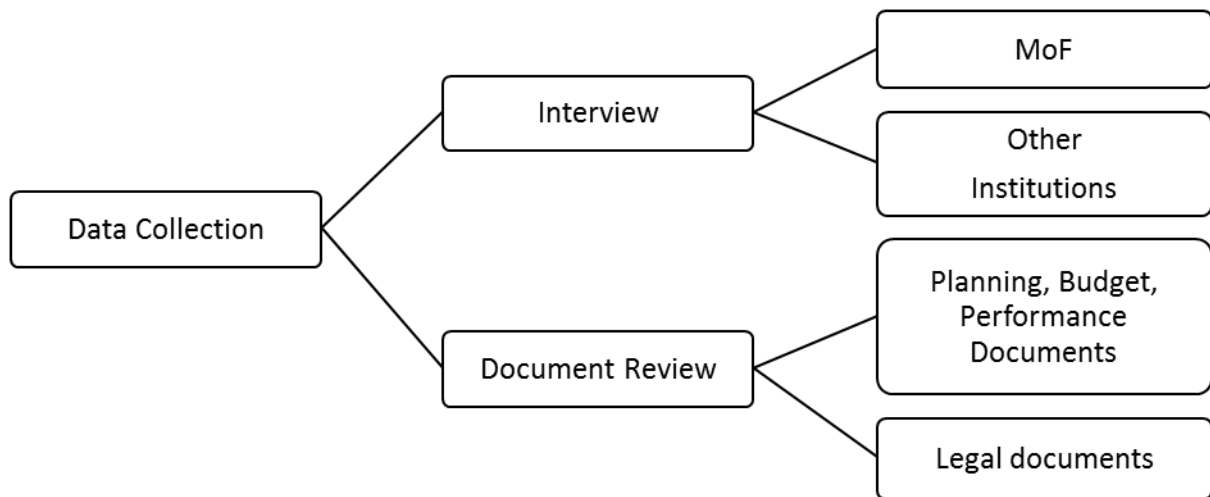


Figure 21 Data Collection

Source: prepared by the researcher

4.4.1 Interview

In qualitative research, a form of interview is the most commonly used method of data collection (King and Horrocks, 2010, Yin, 2010, Guthrie, 2010, Silverman, 2011). Interviews aim to generate data which gives an authentic insight on what is being researched and to understand as well as document others' understanding. This study used the interview method as the main instrument of data collection.

There are several types of interview approach that could be used, i.e. structured, semi-structured, unstructured, and oral history (Bryman, 2012, Guthrie, 2010). As structured interview is more restrictive than that of semi-structured one, this research uses semi-structured interview as a primary data collection method. Semi-structured interviews use a guide so that information from different interviews is directly comparable (Guthrie, 2010: 120). In addition Bryman (2012: 470) suggests that conducting interview in qualitative approach should be less structured and more flexible, with emphasis on the interviewee's

point of view. The semi-structured interview allows the researcher to do interview more than once to the same interviewee if needed, and is free to raise new question(s) in response to particular answers. The degree of flexibility and freedom to improvise questions are the advantages of the semi structured interview. Yet, the researcher prepared a guidance of interview, in order for the researcher to be able to gain some control over the conversation. The interview guide of the study has an introduction and list of questions (see Appendix 1).The length of each interview lasted in reasonable duration of an hour, and only a few of the interviews took as long as two hours or more.

In addition, De Vaus (2013) suggests that there are certain considerations when deciding on an appropriate interview mode such as response rates, the ability to produce representative samples, the effects of interview design on the context and the content, the quality of responses, and the implementation problems.

The researcher gained access to the interviewees through a number of ways, including endorsement letters from the sponsor, Bappenas and the work place, as well as using a formal procedure to make an official request for interviews through respective general secretary of ministries.

The researcher produced a map of potential interviewees from the MoF based on its formal structure, and thus took samples equally from different divisions or organisational units. Table 9 below summarises respondents that were interviewed from the MoF.

Table 9 Distribution of MOF's interviews

No	Working Unit	Interviewees	Total Number
1	Centre for Climate Change and Policy Research (Puspijak)	1 Head of Centre 1 Division Head of Data and Research Development 1 Head of REDD+ Project 2 REDD+ researchers 1 Sub-Division Head of Research Dissemination and Advocacy	6
2	Centre for Standardization and Environment (Pustanling)	1 Head of Centre 1 Division Head of Climate Change 1 Sub-Division Head of Climate Change Management Service 1 Sub-Division of Climate Change Evaluation	4
3	General Secretary	1 Head of Head of Programme and Budget Division 1 Sub Division Head of Centre for International Cooperation	2
4	REDD+ Working Group	1 National Programme Manager, UN-REDD+ 1 Working Group Secretary	2
Total number of Interviews			14

Head of echelon II is a key person in a working unit who has legitimate power and authority to develop organisational strategic plan, to propose and execute activities within the unit annually. He/she is responsible for the translation of macro policy directed from ministerial level. There are three heads of echelon II within the MoF who were successfully interviewed, as can be seen in Table 2. The head of echelon III was also chosen because this level of position is assumed to be well-informed about the implementation of real activities or programs within ministry. They may be less strategic, but quite discretionary in determining and distributing organisational resources in conducting activities and programs.

The interview was also conducted in several related institutions that are vital to the work of the MoF and forest governance as a whole, ranging from development planning agency to non-government organisation, as shown in Table 10.

Table 10 Distribution of other Institution's Interviewees

No	Institutions	Division	Interviewees	Total Number
1	Bappenas / The National Development Planning Agency	Directorate of Forestry and Water Resources	1 Director	1
2	National Council on Climate Change (DNPI)	Working group on Land Use, Land Use Change and Forestry (LULUCF)	1 member of working group	1
3	UKP4 / REDD+ Agency		Secretary (Presidential staff on climate change), a member of Taskforce	1
4	Secretariat of NAP-GHG		Management Team, project assistant	1
5	Ministry of Environment	Deputy for Environmental Hazard Control and Climate Change	Deputy assistant for climate change adaptation, and/or Deputy assistant for mitigation and atmosphere recovery	1
6	National Institute of Public Administration	Centre for Institutions Studies	1 Head 1 Division Head	2
7	Other Institutions	CIFOR	3 Senior researchers 1 Secretary	4
		AMAN	1 REDD+ Programme Manager	1
		Greenpeace	1 Forest Political Campaigner Greenpeace	1
		Walhi	1 Bioregion and Climate Campaigner	1
		HuMa	1 Coordinator of Forest, Climate, and Community Rights Program	1
Total number of Interviews				15

Another form of interview which is a joint interview was held in the Ministry of Bureaucratic Reform to discuss the legal framework and institutional arrangement of ministries at national level. The ministry is in charge of designing and structuring ministry's organisation at national level, and government organisational structure at local level. In

addition, the ministry is also responsible for conducting bureaucratic reform nation-wide that touches the very heart of sectoral governance and policy. The interviewees were two Assistant Deputies and a Division Head from the Deputy of Institutions and Procedure (*Kedeputian Kelembagaan dan Tatalaksana*). The three interviewees were ready to be interviewed at the same time. The researcher started the discussion and then let each of them respond respectively without any order. Some of the topics and ideas explained by an interviewee were reinforced by others and vice versa.

The latter interviews used a different protocol which primarily enables discussion about how MoF integrates its ministerial policy into climate policy context and what sort of institutional and relational context exists between the MoF and the interviewed institutions.

In order to validate and generate a deep level of understanding of forest and climate policy, apart from national institutions involved above, the researcher also conducted interviews with local institutions in Taman Nasional Meru Betiri (TNMB) in Jember, East Java, The list of interviewees from in East Java can be seen in Table 11 below.

Table 11 List of Interviewees from Jember, East Java

No	Institutions	Division	interviewee	Total Number
1	MoF	National Park Meru Betiri (TNMB)	1 Head of STPN II	1
			1 Forest Ecosystem Manager	1
			1 Head of Forest Police	1
			3 on-site Forest Ecosystem Managers	3
2	Others	Society	1 Volunteer of National Park	1
		Kail Jember	1 Head of NGO	1
		Jember University	1 Forest Researcher	1
	Total Interviews			9

4.4.2 Policy Document Review

In order to strengthen and validate the data generated from the interviews, a number of relevant official documents of programs, activities and budgets of MoF, as well as laws, acts and regulations as the legal umbrellas of this institution were collected and reviewed. The research analysed data from each of these documents as follows.

1. Policy documents were collected either through online or offline sources. The online versions of the documents were verified during the fieldwork, in order to ensure their reliability.
2. Official documents on government's own budget allocation to forestry and land-based sectors in relation to addressing climate change-related projects were requested from the Ministry of Finance, and some of them were obtained online too.
3. Budget allocation beyond government such as donors and other institutions were collected through correspondence and online sources.

In relation to that, Howlett (1986) argues that public policies extend beyond official records of government decision-making found in laws, acts, regulations and official reports. The researcher was aware from the beginning that official documents would be one of main sources of information. However, such documents are not always readily available. This is a typical problem in finding documents even from its main source. Such official documents include:

1. Ministerial Strategic Plan (2010-2014)
2. Budget estimations for each ministry that incorporated in Medium Term Expenditure Framework (2010-2014)
3. Annual Working Plan documents (2010-2014)
4. Budget Plan (2010-2014)

5. New initiatives from ministry during the budget year (2013 and 2014 if applicable)
6. Annual Report (2010, 2011, 2012, and 2013)
7. Mid-term Report (2013)
8. Performance Evaluation Report (2010, 2011, 2012, and 2013 if applicable)
9. REDD+ National Strategy

These documents were collected from relevant ministries and agencies such as the MoF, the National Council on Climate Change (DNPI), REDD+ Agency and the National Development Planning Agency (Bappenas). In addition, legal documents such as related laws, acts, regulations and other official records from national level to ministerial level were also reviewed, to understand policy direction of each sector, to observe the prioritised programmes in relation to climate change responses and to look at any consistency with the implementation of concrete programme on the ground. Some of those as follow:

1. Forestry and land-based sectoral laws, and climate-related:
 - a. Law 41 Year 1999 on Forestry, amended by Law 19 Year 2004
 - b. Law 5 Year 1960 on Basic Agrarian Principles
 - c. Law 17 Year 2004 on Kyoto Protocol Ratification
 - d. Law 32 Year 2009 on Environmental Protection and Management
 - e. Law 18 Year 2013 on Combatting Forest Degradation
 - f. Law 6 Year 1994 on UNFCCC Ratification
 - g. Law 31 Year 2009 on Meteorology, Climatology and Geophysics
2. Government Regulations (GRs)
 - a. GR Number 62 Year 1998 on Delegation of Authority of Parts of Government Affairs in Forestry Sector
 - b. GR Number 44 Year 2004 on Forest Planning

- c. GR Number 45 Year 2004 on Forest Protection
 - d. GR Number 40 Year 2006 on procedures of Development Planning
 - e. GR Number 38 Year 2007 on Division of Authority
 - f. GR Number 41 Year 2007 on Local Government Organisations
 - g. GR Number 6 Year 2007 on Forest Management Planning and Utilisation (FMU)
 juncto GR 3 Year 2008
 - h. GR Number 72 Year 2010 on *Perum Perhutani*
 - i. GR Number 12 Year 2014 on Types and Tariff of Non-Taxed State Revenue of the
 Ministry of Forestry
3. 5/2010 on Mid-Term Development Planning (RPJM) 2010-2014
 4. Ministerial Regulations
 5. Ministerial Decree
 6. Letter of Intent
 7. Governor's decrees and regulations

4.4.3 Sampling Technique

Although qualitative research does not seek any statistical representation in defining its sample as quantitative research does (King and Horrocks, 2010), this study recruited targeted participants for interview from a variety of positions in the Ministry of Forestry (see interview list in the following section) and other related institutions at national and sub-national levels in relation to the research topic, representing each level of positions. This technique is called *stratified purposive sampling*. Bryman (2012: p.419) argues that this type of sampling is a technique that takes a sample of typical cases or individuals within a sub

group of interest. It is expected to cover the representativeness of all levels in understanding policy integration.

In order to enrich the data gathered from the MoF, the study further included data collection from climate-related institutions at the national level i.e. National Planning Agency, National Council for Climate Change, UKP4/REDD+ Task Force, Ministry of Environment, Ministry of Bureaucratic Reform, and other related institutions.

This study, in addition, used snowball sampling technique to recruit participants for the interviews. The selection of participants can be based on information from initial contact with interviewed participants determined in stratified purposive sampling. This is in line with Bryman (2012: p.716) who argues that snowball sampling can be done through establishing initial contact with a small group of people to ensure the relevance of topics discussed with the participant's expertise invited. The researcher, however, acknowledged any potential problems with snowball sampling, such as potential bias and finding the wrong informant. The researcher made the utmost effort to make sure that those informant were confirmed and endorsed by other informants.

4.5 Data Analysis

Marshall and Rossman (2011) defined data analysis as the process of ordering, structuring and giving meaning to messy and ambiguous data. Since this is qualitative research, typical data obtained from the research are not straightforward to analyse (Bryman, 2012). This is a clear distinction between qualitative and quantitative data.

In order to analyse such qualitative data, Bryman (2012) and also Silverman (2011) suggest that analysis is undertaken using either analytic induction or grounded theory. These two are the most common analysis technique and widely used by qualitative

researchers, although other types of analysis exist such as narrative analysis (Bryman, 2012) and others (Myles, 2015, Ritchie and Spencer, 2002). The first type of data analysis is the technique that seeks a general explanation of phenomena by pursuing the data collection until no cases that are inconsistent with the hypothetical explanation of a phenomenon are found. While the grounded theory emphasises the development of the substantive theory (Corbin and Strauss, 2008).

In addition, there are two purposes of analysing data, for concept and for context (Corbin and Strauss, 2008). The previous one means the analysis is aimed at developing or generalising concept, while the latter one means the analysis focus on the context of the data. Analysis of an interview can follow Bloom's taxonomy (Guthrie, 2010: 158): describe, classify, interpret. Describing facts about a situation would be the first step to recognise the context in which data was obtained. This would be helpful to further classify the data and identify, for instance, the similarities and differences between data, and finally to interpret the classified data into meaning.

Having discussed these types of data analysis, this research employed two-step analysis of data i.e. context analysis and analytic induction. The researcher began analysis by transcribing all interview results and transferring the transcripts to NVivo software. This software helps the researcher to find and analyse keywords and themes. The analysis of data from interviews was done by understanding the context of the data first, as suggested by Corbin and Strauss (2008), and then analytic induction was undertaken by describing, classifying and interpreting data to seek universal explanation until no cases that were inconsistent with the hypothetical explanation were found.

In terms of document analysis, Prior (2011) summarises four approaches or ways of using documents in social research based on two points of view i.e. the focus of research

approach and how the documents are treated. The former perspective focuses on either content or use-and-function of the documents, while the latter one treats the documents as either a resource or as a topic. The study focused on both content and the use-and-function of the document.

Table 12 Types of Data Analysis of documents

	Resource	Topic
Content	Approaches that focus almost entirely on what is 'in' the document	'Archaeological' approach that focus on how document content comes into being
Use and function	Approaches that focus on how documents are used as a resource by human actors for purposeful ends	Approaches that focus on how documents function in and impact on schemes of social interaction, and social organization

Source: Prior (2011: p. 95)

Based on this type of analysis, the aforementioned official documents that are listed and gathered in this study are categorised into and analysed by different approaches as can be seen in Table 13:

Table 13 Mapping Analysis of Documents

	Resource	Topic
Content	<ol style="list-style-type: none"> 1. Ministerial Regulations 2. Ministerial Decree 3. Ministerial Strategic Plan (2010-2014) 4. Annual Working Plan documents (2010, 2011, 2012, 2013) 5. Budget Plan (2010, 2011, 2012, 2013) 6. New initiatives from ministry during the budget year (2013) 7. Annual Report (2010, 2011, 2012) 8. Mid-term Report (2013) 9. Performance Evaluation Report (2010, 2011, 2012) 	<ol style="list-style-type: none"> 10. Budget estimations for each ministry that incorporated in Medium Term Expenditure Framework (2010-2014)

	Resource	Topic
Use and function	11. Forestry Law 12. Presidential Regulation 5/2010 on Mid-Term Development Planning (RPJM) 2010-2014 13. Letter of Intent 14. REDD+ National Strategy 15. REDD+ Local Strategy Governor's decrees and regulations	16. Letter of Intent 17. Forestry Law 18. Environmental Law 19. Other related laws

In order to enrich data analysis, simple statistical analysis is allowed in case study design particularly to describe something like size, weight, average, unemployment rate etc. (De Vaus, 2001: 250). The research, therefore, used some quantitative data in the analysis.

4.6 Fieldwork Site

The Ministry of Forestry has a wide structure of organisation and consequently carries diverse functions distributed among units. There are five General Directorates under and reporting directly to the Minister. These units are categorised echelon I, or the highest level of unit within ministry. These units serve core functions of the ministerial organisation. Apart from these units, there are two more echelon I units; General Secretariat and General Inspectorate which carry administrative and supervisory functions respectively.

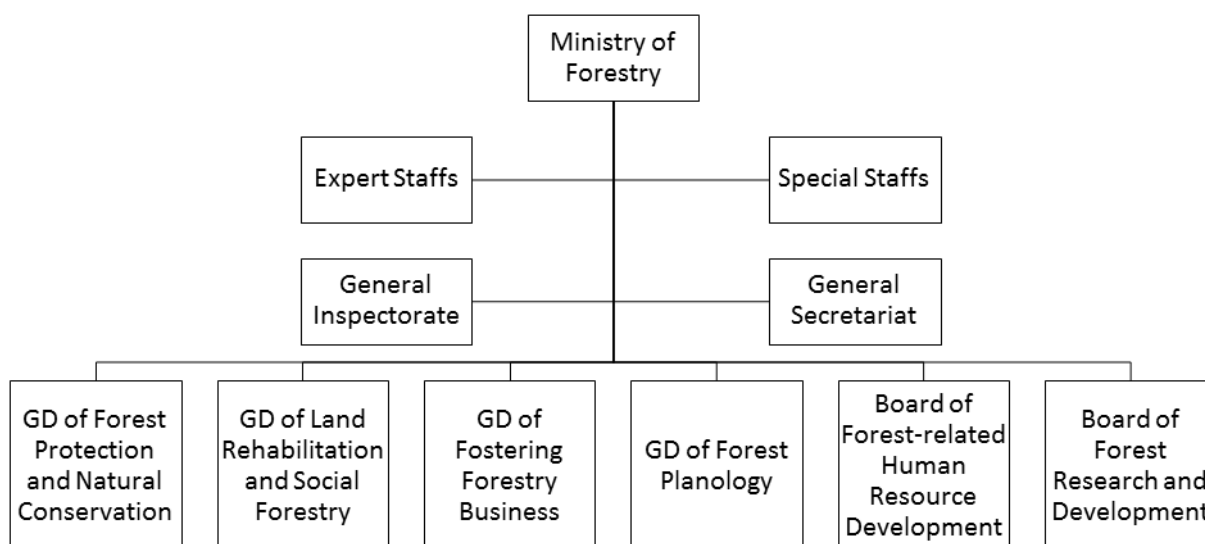


Figure 22 Organisational Structure of MoF

Source: MoF, 2013

Those categorised as technical working units like General Directorates (GDs) exercise policies respectively. This GDs is an echelon I, serve as the highest ranked working unit within ministry. Every echelon I functions as coordinating unit of several echelon II underneath. The core business and technical authority of MoF actually are represented and run primarily in echelon II level. Another type of working unit is called the Board, which is also categorised as echelon I. The visible difference between the two is that the previous one can make technical policies in relation to its main functions, while the latter does not make policies, instead provides support and technical expertise to other working units. This categorisation is common to all ministries as it is regulated and required by the law.

Table 14 Recapitulation of Number of MoF's Organisational Unit

No	Echelon I	Echelon II *	Echelon III *
1	GD of Forest Protection and Natural Conservation	5	24
2	GD of Land Rehabilitation and Social Forestry	4	12 or more
3	GD of Fostering Forestry Business	5	19
4	GD of Forest Planology	5	21
5	Board of Forest-related Human Resource Development	3	7
6	Board of Forest Research and Development	4	6 or more
7	General Secretariat	13	-
8	General Inspectorate	5	-

Source: adapted from MoF website

* Secretariat unit within echelon is excluded

In addition, the researcher conducted a field visit to the local level i.e. to the National Park of Meru Betiri (TNMB) where the forestry sector is managed directly under the MoF. Some parts of the forest are managed in collaboration with local government and some REDD+ projects were underway under the ITTO project.

The decentralisation policy is one key argument as to why national and local arrangement may differ from each other. The main purpose of the fieldwork is to gain some understanding of the link between what has been decided at national level concerning climate change with the process of policy making at local level. Some data was relevant to the research, and others represent local situation. Only those relevant data are included in the chapter discussion.

4.7 Ethical Issues

Ethical clearance was applied for by the Ethical Review Committee and obtained before fieldwork commenced. An informed consent was sought from every interviewee by asking each participant before the interview session to read an information sheet for participant

(see appendix 2) and to give their consent by signing the consent form (see appendix 3) if they agree with the researcher. The researcher intended to obtain an in-depth analysis of how sectoral policy making has responded to a cross-cutting issue, and thus it was inevitable that the researcher would encounter some undisclosed data and information that may be sensitive particularly in the interests of sectoral policy making and at national level in general.

The research obtained particular data through the interview that might be too sensitive to be disclosed to public. In this case, the researcher assured the interviewee that the use of data is for academic purposes only and convinced the researched institutions that any result of data analysis has nothing to do with their actual performance, institution credibility or whatsoever. By ensuring confidentiality and gaining trust from the researched and showing research integrity, the MoF and other researched institutions allowed the researcher to obtain data and use it. In this regard, the interviewees are divided into two divergent groups: a group who encouraged the researcher to disclose any information, and another group who strongly suggested that the researcher should be careful and selective in disclosing some sensitive data. Participants from particular ministries, NGOs, academicians were among the previous group, while majority of those from the MoF, other bigger ministries and local officers tend to be in the latter one. In accordance with this, the interview result, findings and analysis chapter are written without using names, instead using their position.

When dealing with ethical issues, (Blaikie, 2010: p. 31) argues that the researcher need to meet criteria like ensuring that participation should be voluntary, obtaining informed consent of the researched, and protecting the researched's interests as well as researching with integrity. This could be problematic, because this could be part of the

issues that the researcher encountered during the fieldwork trip. In particular, when the researcher met an interviewee who was not really interested in the interview. The following section of positionality explains it further. Making correspondence as early as possible is one of the effort to open and develop trust between researcher and the researched. Obtaining principal approval from the MoF and other researched institutions would be put in the first place. Usually the General Secretary of each institution has the authority to allow and let researcher get into their organisations.

Therefore, the study was conducted sensibly by taking all ethical issues into consideration throughout the whole research's activities (see Appendix 2 and 3). All of obtained data, mostly written and spoken in the native language (Bahasa Indonesia), were translated into English, coded and kept confidently and anonymously according to the University of Birmingham's data protection guidelines as well as the Data Protection Act. Access to data will only be opened to those authorised by the University of Birmingham ethics committee. For further protection, the data will be retained for a period of 10 years beyond the completion of the thesis, and afterward will be disposed.

4.8 Positionality

The researcher is an Indonesian citizen who has been serving as an Indonesian government officer at the National Institute of Public Administration (NIPA) in Jakarta for nearly 10 years, including spending two years in Tokyo Japan for doing his master degree. He had been placed in several different working-units within the agency. The most recent one was working for the Centre for International Administration Studies (CIAS) from 2007 to 2011, before commencing PhD study in the University of Birmingham. His working-background has

developed his research interest in policy governance and international affairs, particularly on the impacts of international regime on domestic policy making and organisational arrangements at both national and local level. The recent Indonesian climate policy agenda is one of those interests. The research conducted here aimed to explore and help to understand the response of national and sub-national governments to climate change agenda, both in terms of policy making and organisational processes.

Having explained such background, the researcher encountered some challenges in relation to the research work. Indeed, as a government officer of a central agency, access to government ministries at central level and governments at local level was not problematic. However, the real challenge due to this position is the researched institutions both at central and local often treated him as a government officer or colleague rather than a researcher. The language being spoken was more informal in which participants seldom answered the questions posed, because they had pre-assumptions such as the researcher was assumed to have similar knowledge to participants, and thus some questions being raised were more rhetorical to them and they felt they did not need to answer those. Some of participants did not show that they were interested in participating in the interview. It was simply because of his/her supervisor's instruction that made them participate. The worst scenario of an interview could be the participant just simply provides the researcher books, reports and everything else that they thought are relevant to the research and are more informational. One or two informants did that.

Being known as a government officer also made the researcher find the data collection quite challenging, especially when having a number of interviews with various government officers but ending up with similar ideas or topics of discussion. At other times the participants were very frank but then they suggested that the researcher should not

release some information that has been disclosed, by emphasising the researcher's position as both Indonesian and a government officer.

4.9 Conclusion

This chapter discussed the choice of philosophical thinking as the foundation for the research, research design and methodological approach adopted, as well as how the obtained data is analysed. Indonesia was chosen as a case study, with regard to how government has responded to climate change agenda. This allows the study to obtain and cover both content and context of forest-oriented climate policy and governance in Indonesia.

As this study employs a qualitative methodology, data collection employed semi structured interviews and document and policy review. All data collection activities were conducted in Indonesia. Interviews were carried out with the participants from ministries and agencies at national level like the MoF, the DNPI, the REDD+ Managing Agency, the MoE, and other related agencies, including NGOs whose interests are forestry sectors and climate change. At the local level, other national agency i.e. the National Park and the local agencies in charge of forestry and climate policy such as local Forestry Service, local Planning Board were included.

Chapter 5 Policy Making in the Forestry Sector

5.1 Introduction

The objective of this chapter is to present and analyse the findings related to policy making processes within the Indonesian forestry sector in terms of how policy-making processes provide opportunities, or create barriers, for the integration of cross-cutting issues. The policy making processes analysed and discussed in this chapter are those for which the Ministry of Forestry (MoF) is primarily responsible, and which ran from the early 1990s, when climate change first entered the national policy context²⁵ up until the Legislative and Presidential elections of July, 2014²⁶.

Based on the analytical framework the chapter is divided into three parts; firstly, issue competition that took place in the policy making process in relation to addressing climate change in the forestry sector at national level; secondly, the diversity of interests whereby various policy actors and stakeholders bring their own interests into the policy making process; and, lastly, the complexity of the polity wherein the various institutions, actors and policy sub-systems interact in making policy.

In addition, several forestry policy documents that were developed and largely implemented during the two administrations of 2005-2009 and 2010-2014 are considered and compared, together with the perceptions of MoF elites, decision makers, employees, and stakeholders derived from interviews.

²⁵ The UNFCCC was officially ratified in 1994 through the enactment of Law 6 Year 1994

²⁶ The 2014 Presidential election has resulted in replacement of the two-term incumbent SBY administration by the newly elected Joko Widodo who acceded to power in October 2014. He made certain changes to the ministerial formation of his administration, one of which was to merge the Ministry of Forestry with the Ministry of Environment into a single ministry entitled the Ministry of Environment and Forestry.

MoF policy is generally classified into two categories, technical and general. Technical policies are intended to translate general policy into specific, technical terms, and are issued and signed by the Director General in charge a particular unit responsible for the policy field concerned. The Director General reports directly to the Minister of Forestry, who is responsible for general policy, relating to the exercise of MoF authority over the forestry sector nation-wide. This general policy sets the strategic framework to be complied with by other interested institutions, including the local governments on whose territory forests are located. General policy typically takes the form of a Minister's Decree (*Peraturan Menteri Kehutanan/Permenhut*) that is stipulated by minister as the head of the ministry.

5.2 Issue Competition

This section identifies the role and extent of issue competition within the Indonesian forestry sector policy making process. Policy making in the Indonesian forestry sector involves various policy actors and stakeholders in addition to the MoF, including the central bureaucracy, elected politicians, representatives of the private sector and of civil society. However, it is the MoF that is mandated by law to exercise forestry policies as the central authority in forestry sector.

5.2.1 Climate change-related Agenda Against Sectoral Programmes

Issue competition starts from the very beginning of the policy making process whereby the development plan at national level is translated into sectoral objectives. The Mid-term Development Planning Plan (RPJMN) Year 2010-2014, as guidance for all ministries and agencies, outlined three prioritised programmes in forestry sector that should be directly under the supervision of the MoF, namely:

1. Climate change mitigation
2. Controlling environmental destruction
3. Natural disaster management.

The first prioritised programme, addressing climate change, required the MoF to enhance peatland management and critical land rehabilitation within forests. The second consisted of combatting deforestation, reducing forest fires and preventing the environmental degradation in thirteen river basins that causes natural disasters. The third includes risk reduction, mitigation of natural disaster and forest fire management in 33 provinces. Issue competition clearly exists between the climate change agenda and the sectoral agenda that are represented by each working units within the MoF.

The three prioritised programmes are strongly related to two directorates-general (DGs), the DG of Management of Watershed Development and Social Forestry (MWDSF) and the DG of Forest Protection and Natural Conservation (FPNC). The other DGs, such as that of Planology, the Forestry Business Development (FBD) and the Forestry Research and Development Agency (FORDA) carry out a range of activities that support the achievement of these programmes, such as forest rehabilitation and the enhancement of the carrying capacity of river basins, forest fire management.

Based on data from FORDA in 2012, five of the eight first echelon working units within the MoF have working programmes at least partly related to the prioritised programmes. The MWDSF has the highest percentage (15%) of programmes addressing climate change while the FPNC along with the other two DGs of FBD and of Planology respectively have the same percentage of 11.7% working programmes corresponding to the prioritised programmes. Such percentages show how much the climate change agenda has been acknowledged within the MoF. Based on this figure, competition between climate

change agenda and sectoral issues is visible, partly in these aforementioned DGs. The other first echelon working units like the General Secretariat (GS), the General Inspectorate (GI) and the BFCD have no programmes that are directly related to climate change, due to their nature and function within the MoF. Indeed, the GS has the highest percentage of indirect programmes supporting the prioritised programmes while 10% of indirect programmes conducted by the GI, and other DGs contribute to a number of smaller percentage of indirect programmes as well. The following graph shows this contribution of each first echelon working programmes in relation to addressing climate change.

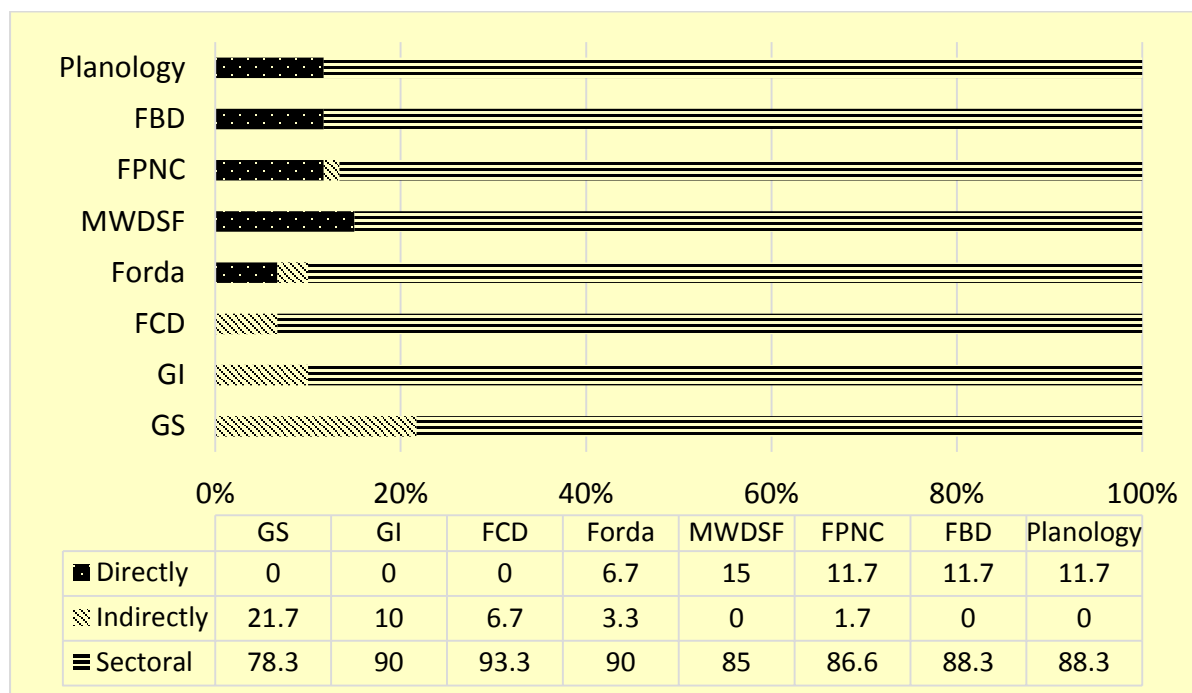


Figure 23 Percentage of Programmes Addressing Climate Change against Sectoral Objectives

Source: adapted from Forda, 2012.

Figure 23 shows that the climate change agenda has been acknowledged most directly by the MWDSF by 15%, and indirectly by the GS by 21.7%. The least direct programmes are conducted by the Forda, while the least indirect ones are conducted by the

FPNC. Based on Figure 24, it can be concluded that sectoral issues in each working unit take up significantly more space than the cross-cutting climate change agenda. Based on this finding, there are two assumptions that can be made; firstly, that there is a zero sum between climate change and other priorities, and secondly in order to take climate change seriously they would need to drop all other priorities.

Yet, according to the majority of informants from various working units, most of the MoF working programmes are actually in line with the effort of addressing climate change. They believed that what the MoF has been working on cannot be seen as distinct from climate change. Activities such as protecting forest, preserving biodiversity and managing forest fire are those that are naturally part of MoF's authority and indeed directly and indirectly contribute to the effort of addressing climate change. In other words, this quantitative figure, based on their statements, does not necessarily show that climate change agenda is not prioritised in the sector.

5.2.2 Agenda Setting: Policy Coherence between climate change and forestry sector

Given that climate change may be seen as a cross-cutting issue or multi-sectoral issue rather than a single sector issue, there is clearly a potential conflict with sectoral priorities. The closeness of the issue to a sector may or may not help at the stage of problem identification. Yet, the issue had already been coming to the attention of all policy makers in the sector.

The climate change issue within the forestry sector had been recognised for a long time before the establishment of the stated vision, back in 1994 when Law number 6 concerning ratification on UNFCCC. In relation to this, the Director of the Standardisation and Environment Centre (Pustanling) of MoF, who has been dealing with the issue of climate change in the ministry from the beginning, stated in an interview:

“...this [climate change] issue actually has been responded [by government] even far before climate change ratification, in 1994, and with Law 6 [Year 1994 concerning ratification on UNFCCC], but forestry issue was just acknowledged when COP 3 1997... explicitly acknowledged, although the issue still belongs to advanced countries, in Kyoto Protocol... finally in COP 7 when CDM [Clean Development Mechanism] was introduced, small scale of forestry-related CDM was agreed, there were afforestation, deforestation, and finally in COP 8 resulted in bigger scale of forestry CDM, and then [again] a small scale one [was agreed] in COP 10... (Head of Pustanling, 2014, interview)

Furthermore this informant²⁷, regarded by most others interviewed as a key figure in the MoF in relation to climate change, believes that the forestry sector, and specifically the MoF, has been significantly influential from the beginning in international climate negotiation. The forestry sector played a leading, even dominant role in the Indonesian delegation when RED, REDD and then REDD+ were initiated, particularly at the negotiations in Montreal.

Most MoF respondents see sustainable forest management (SFM) as a means of addressing climate change and therefore see the forestry and climate change agendas as reciprocal rather than competing. Thus SFM becomes a narrative of combatting carbon and deforestation. A widely respected senior officer at the MoF, who at the same time serves as the UN REDD Programme Manager of the MoF, stresses the strong link of MoF's tasks with climate change issue, as follows:

“...when it comes to sustainable forest management, it's actually our daily activities, you name it, timber legality, tackling forest fire, and whatever else, law enforcement on forestry health, we have done such things long time ago...” (the UN REDD Programme Manager of the MoF 2014, interview)

She, furthermore argued that MoF has nothing to lose with climate change as the issue has no threat at all to MoF's day-to-day business and the forestry sector as a whole.

²⁷ In 2014, she was appointed as the General Director of Climate Change in the Ministry of Environment and Forestry

This positive view of the relationship between forestry and climate change priorities was found at all levels within the MoF.

A similar comment came from the Head of Climate Change Service Sub Division, an informant whose position was created under the new MoF's organisational structure and is responsible for dealing with climate change service within the MoF::

“... if we look at the history, those being negotiated in convention [of UNFCCC] are things that what we have been doing so far, so climate change mitigation is not something new, it's just being dressed like a new one, to combat fire on forest and land, that's part of mitigation, and then when we are enhancing (forest) protection, improving (forest) governance, these are also parts of mitigation actions, for instance when we develop KPH/FMU as the smallest forest management unit, that is also part of mitigation, because of the presence of this management in that (lowest) level, forest dwelling and illegal logging have likely decreased as well as forest monitoring can be done intensively, and therefore the utilisation of forest is also intensively done, so that's why those things that we have been doing so far can be seen as parts of climate change mitigation...” (the Head of Climate Change Service Sub Division 2014, interview)

Although it may have been supported unofficially in the past, climate change is officially a new issue, formally introduced into the forestry sector and the MoF. However according to the Head of Climate Change Service Sub Division, climate change should not be seen as something new to the MoF and thus whatever the climate change agenda requires, the MoF should adapt and work on it easily.

Other informants, from a range of backgrounds and positions, supported this view, for example:

“...well, if I am asked what the main task of MoF is [in relation to addressing climate change], that's our task, the answer is, to ensure that our forest is managed sustainably, sustainable forest management, that's our main task... [forest] being managed sustainably means also we need to combat deforestation and degradation, that's what's happening today, so that when it comes to REDD etc, MoF would be the one to be, either an object, subject, or victim, whatever it could be, actor, victim, that's MoF...” (a senior MoF researcher 2014, interview)

This informant, in line with their colleagues also interviewed, believes that what the MoF has been doing is actually in line or at least part of addressing climate change, even though it did not explicitly say so.

The MoF has seen climate change as a policy issue that can be included in sectoral policy. Most arguments strongly link forestry sectoral goals with sustainability issues (SFM). The forestry sector has recognised climate change and defined it within sectoral processes since there are seemingly no conflicting values between this issue and forestry sector. In fact most of the views of informants are in agreement that addressing climate change issue is corresponding to the sector's goal. However this perception cannot be taken for granted, as forest, from the outset, has two contradictory functions i.e. production and conservation. While conservation is in line with the climate change agenda, the production function and those using forests for maximising economic resources and other development goals conflict with conservation objectives. In relation to this, Sangster et al. (2007) had warned about the danger of synonymising or conflating sustainability *per se* with climate change. The interview results confirmed that problem identification and recognition within agenda setting in the case of addressing climate change in the forestry sector is perceived to be unconstrained, which is problematic in the context of commitments made to the international community.

5.2.3 Budget Competition

Competition between issues may be reflected in the percentage of budget allocation that each ministries or agency can obtain. Regarding the relevance of budget allocation to issue competition, Peters (2010: 232) argues that:

“...if an administrative agency is to accomplish any or all of its mandated tasks it requires an adequate supply of money... Success in getting money is one means for agencies to demonstrate their political influence, and their importance to the remainder of the political system”.

Policy priorities normally are reflected in a linear priority in budget allocation. Hence, when it comes to budget allocation, things are more complicated than just merely setting up such priority. A member of House of Representatives (Komisi VII DPR RI), Satya Widya Yudha gave his opinion on the case of climate change saying that “it is always nice to hear and talk about climate change issue, but when it comes to budget affairs, it’s hardly manageable” (Witoelar et al., 2013: xii).

According to, the data on budget allocated to several ministries in addressing climate change, the budget allocated to the MoF is not among the highest ones, particularly when compared with the Ministry of Agriculture, the Ministry of Energy and Mineral Resources, and the Ministry of Public Works which receive hundreds of millions US Dollar per year for this purpose.

Table 15 Climate Change-related Budget Allocation

	Institution	2009	2010	2011	2012	2013	2014
1	Ministry of Agriculture	340	430	640	770	820	700
2	Ministry of Energy and Mineral Resources	90	220	600	620	1170	920
3	Ministry of Health	30	40	150	100	160	170
4	Ministry of Forestry	70	160	360	350	490	370
5	Ministry of Marine Affairs and Fisheries	80	70	110	90	120	120
6	Ministry of Public Works	650	500	1200	1640	2030	2230
7	Ministry of Research and technology	10	10	0	0	0	0
8	Ministry of Environment	30	30	50	50	70	70
9	The National Agency for Atomic Energy	0	0	50	60	60	60
10	Indonesian Agency for Meteorological, Climatological and Geophysics	0	50	90	90	110	130
11	Agency for Assessment and Application of Technology	10	20	60	20	50	50

	Institution	2009	2010	2011	2012	2013	2014
12	National Institute of Aeronautics and Space	10	10	0	0	0	0
13	National Coordinator for Survey and Mapping Agency	10	30	30	30	40	60
14	The Indonesian National Board for Disaster Management	10	20	110	100	80	110

Source: adapted from Ministry of Finance, in Million USD

However, should the biggest recipient from the comparison be excluded, it can be seen how this budget allocation for MoF compares to other selected ministries, and thus a different figure and impression can be found, as seen below.

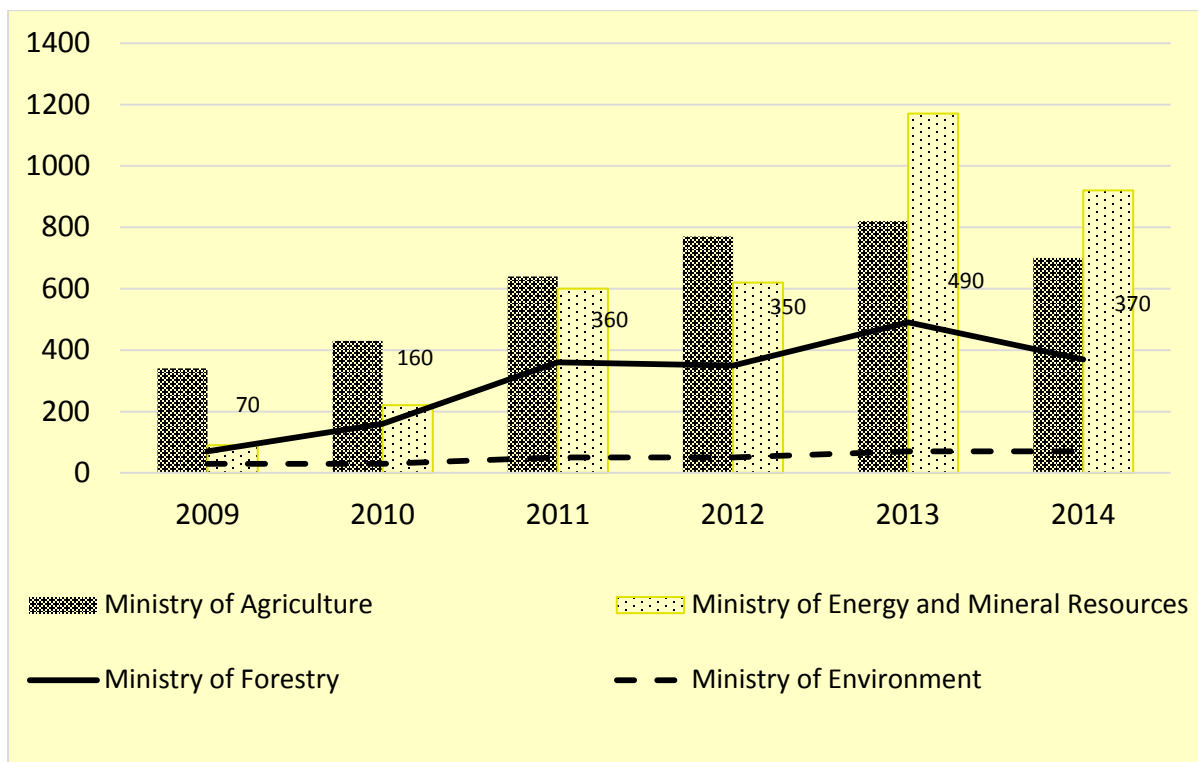


Figure 24 Climate Change Budget Comparison of Selected Ministries (in Million USD)

Source: adapted from Ministry of Finance, 2014

The trend of budget allocation for each ministry is almost identical from year to year, involving a substantial increase, especially from 2009 until 2013. The MoE receives the least

budget in this case, while the other three including the MoF enjoying bigger portions of budget, although there is a slight decrease in 2014.

Not only is the budget allocation noteworthy but also there is a particular policy on how the state can generate revenue from climate change also appears in the policy document. In relation to budget allocation, government regulation on non-tax revenue from forestry sector had not included any particular issue related to climate change until 1998 when the political situation changed drastically and demanded a more transparent and accountable governance.

Table 16 Comparison of Tariff and Non-Tax Revenue of Forestry Sector

No	Elements	Government Regulation		
		No. 59 Year 1998	No. 92 Year 1999	No. 12 Year 2014
1	Administration era	Suharto (1967-1998)	BJ Habibie (1998-1999)	SBY (2004-2014)
2	Assigned institution	Department of Forestry and Plantation	Department of Forestry and Plantation	Ministry of Forestry
3	Designated sources of revenue	<ul style="list-style-type: none"> a. Timber and Non Timber b. Various fees c. Tourism service 	<ul style="list-style-type: none"> a. Timber and Non Timber b. Various fees c. Tourism service d. Reforestation fund 	<ul style="list-style-type: none"> a. Reforestation fund b. Timber and Non Timber c. Various fees d. Tourism service e. Fine f. Transaction on carbon sink and sequestration g. Other services

The reforestation fund was established in 1989 when Suharto was still in power. The fund basically collected bonds posted by timber companies for each volume of logs they harvested during particular year. Government, then, will refund the bond once the company

was confirmed to have rehabilitated the harvested land. The fund was initiated to ensure sustainability of forests over the long term, and particularly to support reforestation and rehabilitation of degraded forest land. A study of the reforestation fund from 1989 to 2009 by CIFOR shows that the fund had collected up to US\$ 5.8 billion over 20 years (Barr et al., 2010).

The fund was, then, administered as an off-budget fund solely by MoF, meaning that MoF was able to exercise nearly unlimited discretion over the use of the budget. This also meant that the funds collected would not flow to the State Treasury to be included in annual government budget plan. This arrangement has been the subject of political attention over accountability, particularly when the budget was inappropriately allocated to those not related to forestry or reforestation activities. At that time, there was no particular law nor regulation governing the reforestation fund specifically. Similarly the first government regulation No. 59 Year 1998 signed by Suharto approximately two weeks before he was forced to step down, covers only a limited number of state revenue sources, particularly those from commercial part of the forest sector, and clearly does not recognise reforestation fund as one of those.

The subsequent government regulation No. 92 Year 1999 issued a year later by Habibie administration recognised reforestation fund as part of state revenue. This meant that the budget was part of the official budget and subject to public accountability. Hence it is more of a governance issue that promotes such recognition, rather than any concern over climate change, which was not an issue at that time. This recognition has brought some implications, mostly in the way the fund is governed. The improving governance of the fund has been accompanied by measures to address the climate change issue in the forestry sector. It has been strengthened by the most recent government regulation No. 12 Year

2014 which includes carbon sequestration, a term more closely associated with climate change, as another state revenue source from forestry.

In addition, donor organisations' contribution to climate change agenda in forestry is quite substantial. Not only the considerable amount of money that was transferred to the country, but also the substantial number of international organizations that are involved in the many climate change projects. Donor organisations started to channel funding from 2007, when the climate change agenda was for the first time recognised by the government. DFID UK was among the first international organisations that contributed to the development of forestry sector, i.e. the General Directorate of Forestry Business Development, by granting GBP 5 million through a project called Cooperation to Support Forest Governance and Multistakeholders Forestry Programme, from 2007 until 2013. Apart from Norway which granted considerable amount of funds to Indonesia, another European country that is notable in providing funding to the forestry sector in Indonesia, and even clearly directed the funding for climate change projects, is Germany. GIZ and KfW respectively channeld EUR 7 millions and EUR 20 millions for a project called Forest and Climate Change (Forclime), mostly carried out in Kalimantan. Meanwhile Korea provides more than USD 4.3 million to support a project with the General Directorate of Planology named "A Joint Cooperation for Strengthening the Capacity of the Forest Management Unit including Preparation for REDD+ Implementation at Tasik Besar Serkapin in Riau" and another project with the General Secretariat called the Indonesia – Korea Forest Centre. In addition Korea provided 3.9 million alone for The Korea – Indonesia Joint Project for Adaptation and Mitigation of Climate Change in Forestry through Afforestation and Reforestation Clean Development Mechanism (A/R CDM) and Reducing Emission from

Deforestation and Forest Degradation (REDD) in Indonesia (KIPCCF) in NTB, an archipelago province next to Bali.

Other countries that support REDD+ related projects are Japan and Australia which respectively granted JPY 490,000 for Indonesia – Japan Project for Development of REDD+ Implementation Mechanism (IJ-REDD+) and AUD 210 millions for Global Initiative on Forest and Climate Assistance to Indonesia / Indonesia – Australia Forest Carbon Partnership in Jakarta and Central Kalimantan, as well as the World Bank, with USD 2.8 million for the FCPF Programme Indonesia Readiness Preparation (REDD).

The International Tropical Timber Organization (ITTO) is also an international organisation that actively took part in the climate change agenda in forestry sector. Their contribution recorded nearly USD 1 million for two separate project i.e.

1. Operational Strategies for the Promotion of Efficient Utilization of Rubber Wood from Sustainable Sources in Indonesia, located in South Sumatra and Jambi, and
2. Strengthening Capacity of Stakeholders for the Development Community-based Plantation Forest at 3 selected Areas in Indonesia, located in Lampung, NTB and North Sulawesi.

Furthermore there are more than 10 donor agencies from various countries that directly and indirectly support forestry sector in both mitigating and adapting climate change²⁸. Not to mention the agreement between Indonesia and Norway that also played a major part in controlling forest utilisation for a period of moratorium. The amount of USD 1 billion grant from Norway is a major influence in reducing deforestation in Indonesian. Further discussion on this agreement is elaborated in the next chapter. Indeed this kind of funding support has shaped and influenced the forestry policies and programmes in

²⁸ See appendix 7 in detail

addressing climate change. Having the considerable amount of funding sent to the country, both donor organisations and supporting countries play important roles in forestry policy-making in Indonesia.

5.3 Diversity of interests

This section explains and analyses the diversity of interests that are in play in the policy making process within the MoF and beyond.

A diversity of interests may, similarly, can be seen operating among the policy actors involved in forest governance at the national level, not only in the MoF as the formal authority of the sector, but also the other ministries and agencies involved in the sector. As climate change is increasingly acknowledged by different sectors, interaction between these sectors has intensified. The MoF, in addressing climate change, cannot exercise its power and authority without interaction with other relevant ministries and agencies.

5.3.1 The National Development Planning Agency (Bappenas)

Policymaking within MoF is similar to that of other ministries, particularly when it comes to formulating their development planning and policy annually. According to Law 25 Year 2004 on National Development Plan System, Bappenas, the National Planning Agency plays a key role in constructing a framework for nationwide national development planning and policy, which MoF should comply with. It means that policymaking process within sectors, from the outset, should adhere to what has been agreed and decided at the national level.

Based on the aforementioned law, policymaking structure is split into two hierarchical layers, so that central government, as the first layer, establishes national level,

strategic and macro policy guidance, after which the second layer of local governments will follow, translating the policy into their respective policies in keeping with local interests.

Policy guidance is provided so that each sector can further develop specific policies and priorities related to its respective authority. There are three types of policy guidance; a 20-year term for a long-term policy, a 5-year guidance for the medium-term policy and an annual guidance for short-term policy.

The long-term policy guidance is officially acknowledged through the stipulation of Law 17 Year 2007 concerning Long Term National Development Planning 2005-2025, followed by the Middle Term National Development Planning (RPJMN) stipulated in each 5-year. The most recent one was stipulated through Presidential Decree Number 5 Year 2010 on RPJMN 2010-2014.

Once this is firmly established, each ministry is required to formulate and establish its own strategic plan for the same 5-year period of service, followed by (annual) working plan. The similar five to one year pattern of policymaking structure is also exercised at local government level, although at the same time they are obliged to refer to national policy.

Within the RPJMN document, the climate change issue is being addressed in in both long and middle term planning, which shows the issue is intended to be incorporated into the policymaking structure. Policy documents relating to climate change issued by numerous institutions are taken into consideration and become the basis for assigned ministries to interpret, translate, incorporate and address the issue. In this regard, Bappenas plays a key role in issuing a document called the Indonesian Climate Change Sectoral Roadmap (ICCSR) which provides guidance and sets the bottom line of what sectors should achieve in addressing climate change. In addition, Bappenas initiated the National Action Plan on Green House Gases (NAP GHG), which provides guidance for both national and local

government agencies. The MoF refers to the above policy documents when it is about to make policy. In this regard, the Head of Climate Change Evaluation Sub Division, stated in interview the need for Bappenas to communicate with the MoF in designing NAP GHG, which will eventually be translated into a further policy document at local level (RAD GRK). Furthermore he also emphasised in the interview the importance of local officials to synergise, at the same time, their RAD GRK with the the MoF's own National Action Plan on Forestry .

From the above, it is clear that a degree of horizontal integration (see Lafferty & Hovden, 2003) is taking place within the policymaking structure (see Lafferty and Hovden, 2003). In this case, the planning agency (Bappenas) plays a stronger role in leading the climate change agenda than does the MoF or other sectoral ministries. It means that the MoF has relatively narrow scope to exercise its authority in the forestry sector, particularly when it comes to addressing climate change, did to the requirement to follow the guidance set by the Bappenas. This is indicated by a number of policies made by Bappenas, such as the national development planning system, the particular ICCSR, the RPJMN, and the NAP GHG. However, it should be noted that Bappenas' major role is in the context of planning, while implementation and execution of programmes are entirely the responsibility of the respective sectoral ministries and agencies. In the past, during the Soeharto administration, policy making had been subject to state policy guidance, called GBHN. All ministries and agencies at national and local level were obliged to pursue what has been written in the guidance (see Kartasasmita, 2013).

5.3.2 The REDD+ Managing Agency

The newly established REDD+ Managing Agency was often seen and perceived to overlap with the MoF in terms of authority over the forestry sector. This is partly true because the MoF and REDD+ Managing Agency had a similar objective in common, that of addressing climate change by combatting deforestation and forest degradation. The MoF, by law, as a sectoral ministry, has legitimate authority and power over forest regulation. Any land declared as forest is subject to the jurisdiction of the MoF and almost 70 per cent of all land in Indonesia falls into this category almost . However, depending on how “forest” is defined, a number of other institutions are , by law, also in charge in part of the so-called “forest”. Not to mention if we extend the coverage of this land-based sector discourse to include peatland, which may be at the same time under different authorities.

The REDD+ Managing Agency was established by government by Presidential Decree Number 62 Year 2013, immediately after the REDD+ task force had completed its service. The establishment of the agency is an integral part of the deal written in LoI between Norway and Indonesia that should be realised by Indonesia in order to proceed the next phase of disbursement of agreed funds from Norway. However, among local elites and stakeholders there have been misgivings over the setting up of a new agency as opposed to making the most of existing institutions.

Although Kuntoro Mangkusubroto, a former Head of REDD+ TaskForce, stated in an interview with REDD+ Monitor, that the agency would work properly, and this was echoed by Agus Purnomo, Special Assistant to the President on Climate Change, there was apparent resistance from Hadi Daryanto, the General Secretary of Mof, who expressed a more sceptical view of the agency’s significance:

“...the REDD [agency] will not be able to take any actions. The [agency] has only has the power to report on emissions reduction projects and any programme irregularities to the related ministries. It is then up to the appropriate ministry take action.... It’s merely an independent committee that links institutions so that REDD+ implementation can be integrated and free from overlap among ministries and institutions” (redd-monitor.org, 11 September 2013)

This statement may, however, reflect Daryanto’s personal resentment of the role that the REDD+ Managing Agency had gained in forestry sector. If so, it was a resentment allegedly shared, at a highest level within the Minister of Forestry. According to a Greenpeace campaigner interviewed:

“...a week after the establishment of REDD+ Managing Agency, we met pak Zul (Minister of Forestry). He said ‘I don’t want to be in touch with REDD’, when we asked [him], ‘Sir, how about the REDD+ agency?’ ‘That is’, he said, [whoever will be the chief of REDD+], ex Head of National Police, ‘none of my business, with me, with this institution [MoF], and you can imagine, [I am] a minister!’ (A Greenpeace campaigner 2014, interview)

At Lower level MoF officials were more restrained in the speed and frankness of their reactions. For example, the Head of the Head of Climate Change Evaluation Sub Division stated:

“REDD+ Taskforce is an ad hoc institution, it is part of Norway’s deal, so what the REDD+ Managing Agency does is primarily focused on what is agreed between Indonesian and Norwegian government, thus it’s merely part of Lol... it is actually clear that national strategy is in REDD+ Taskforce hand, REL, RL, MRV by MoF (Planology), information system for Safeguard by MoF (Pustanling), ... the national strategy is multi sector, and also Bappenas, but when it comes to technical matter, this is MoF’s territory... (the Sub Division Head of Climate Change Evaluation 2014, interview)

This argument was echoed by his colleague, who believed that “...because Lol was initiated by UKP4 which then established the task force, it’s perhaps just like any other project, a specific ad-hoc thing” (Sub Division of Climate Change Service 2014, interview). However, he also implied that it would have been no problem if such a task had been

attached to the MoF rather than establishing a new institution. This view was shared by his colleague, a senior researcher at the MoF, who believed that REDD+ Agency should see the MoF as a technical [forest] institution and that they would not be able to work alone, without cooperating with MoF.

The potential of conflict between the MoF and the REDD+ Managing Agency had been a matter of concern for stakeholders. Agus Purnomo, Special Assistant to the President for Climate Change, voiced his disagreement when was asked about the possibility of REDD+ managing agency taking over one or two of MoF's tasks following the issuance of Presidential Instruction Number 10 Year 2011 on The Postponement of Issuance of New Licences and Improving Governance of Primary Natural Forest. He stressed that MoF retained its original functions in the forestry sector, apart from those already mandated to REDD+ Managing Agency (mongabay.com, 24/01/2013).

Scepticism on the presence of REDD+ Managing Agency was also voiced by NGOs, for example this statement from the eCivil Society Coalition to Save Indonesian Forest and Global Climate:

“...the regulation did not create any breakthrough for forest governance improvement, protection and fulfilment of human rights, forest and peatland restoration” (redd-monitor.org).

However it was the human rights issue, specifically the rights of the often ignored local people living in and around the forest, that was the focus of NGO scepticism about the new agency, rather than the role of the MoF as such. Interviewees from Greenpeace, Walhi, Huma and AMAN all voiced similar concerns on the human rights issue.

At local level the conflicting roles of the MoF and the REDD+ Managing Agency appear in sharper relief and were experienced directly by local actors. For example, an academic, from the Agriculture Department of University of Tadulako in Palu, Central

Sulawesi, who was also a member of the REDD+ Working group for Central Sulawesi, stated in interview that when a MoF-led project on REDD+ was underway in the province, the REDD+ Agency didn't get involved until the project was over, at which point the REDD+ Managing Agency visited the project team and tried to introduce their own concept on REDD+ which seemed to be a repeat of the same project.

“Yesterday we were visited by this REDD+ Managing Agency, then we told them what we've been preparing [for REDD+ activities] so far, and apparently [what they have in mind] is nothing new, so we are more than ready, last time they didn't want to come here...we formulated a local strategy (Strada), then the agency introduce concept called Provincial Strategy and Action Plan or SRAP [which is a matter of name], we told them that it is impossible to change Strada into [their concept of] SRAP, due to formality and... what I did hide from them that things we already have now cannot just be ignored, [because these are] funded by UN REDD [and supported by MoF], so for instance, when the UN-MoF initiated Strada suddenly become a SRAP, what would people say about it, it's a matter of ethics” (A REDD+ Working Group member 2014, interview)

The informant expressed his disappointment of the REDD+ agency, and concern about the ownership of the project. Overall there are mixed views on how the MoF relates to the presence of REDD+ Managing Agency, particularly in dealing with the issue of deforestation and forest degradation and climate change as a whole. Overall, at the elite level of MoF, they tend to be negative whereas at lower levels they believe that technical issues are more important and do not threaten the MoF. Most of those from beyond MoF believe that such conflict is just a matter of confusion, rather than of genuine overlap or takeover of functions.

5.3.3 Other Agencies

While Bappenas and REDD+ Managing Agency are perceived to pose a challenge to the MoF's authority over forests, other institutional partners such as the National Council on Climate Change (DNPI), the Ministry of Environment (MoE), are not so perceived.

The DNPI, for instance, has positioned itself from the outset as a focal point of climate change to the international community (UNFCCC), based on its legal standing of establishment, Presidential Regulation Number 46 Year 2008 (interview with Member of DNPI). This was actually the immediate response from government right after hosting the COP 13 in Bali which resulted in the Bali Roadmap. So the DNPI was established a couple years before the Lol signed by Indonesia and Norway.

Although its assigned tasks might suggest a potential for overlap or of takeover of another ministry's functions, the DNPI is actually a forum whose membership is derived from several related ministries, including the MoF. Moreover, the DNPI is chaired directly by the President. Since it has no power to actually formulate policy, the DNPI rather coordinates ministries in activities and programmes related to climate change issues.

However, the DNPI occasionally finds it difficult to coordinate between ministries, partly because the ministries concerned are far bigger and more powerful than the DNPI itself. A member of the DNPI stressed that the position of DNPI is independent and has no potential overlapping functions with other institutions as follows:

“DNPI looks at negotiation [only], our mandate, then it will talk to all related ministries, that's the role, and please bear in mind, Sir, DNPI is an ad hoc institution, but the mandate is [created as] a result of UNFCCC, we can only recommend [policy], we cannot instruct [them], [even though] they are members of it” (DNPI member 2014, interview)

The MoE, on the other hand has positioned itself also as a focal point to the IPCC and is effectively in charge of governing the waste sector in relation to RAN GRK. As the key institution MoE consults and communicates with other ministries listed in RAN RK, including with MoF for the forestry sector. Indeed, in the past, DNPI was also seen as part of MoE, since the Minister of the Environment is an ex-officio Head of the DNPI.

Based on the Presidential Regulation Number 71 Year 2010 on the implementation of national GHG inventory in Indonesia, 'the MoE shall coordinate and prepare the national GHG inventory for submission to the UNFCCC through the National Focal Point, while line ministries shall prepare the sectoral GHG inventory and report it to the MoE'.

Long before the regulation was stipulated, the MoE produced the Initial National Communication (INC) in 1999, and a decade later produced the Second National Communication (SNC). Both documents are reported to the UNFCCC as official communicating documents from the Indonesian government to international community regarding its updated climate change status. The following Third National Communication (TNC) was due in 2016, and was in preparation at the time of writing this thesis. The ministry had also produced the Biennial Update Report, to be sent to UNFCCC.

5.3.4 The Diverse Institutional Arrangements

According to MoE, MoF and other institutions do actually play their respective roles in relation to climate change. When MoE was asked where the number 26% of emission reduction pledged by President comes from, the respondent said that this percentage was the cumulative total of numbers from each sectoral ministry. MoE was in charge only of the calculation of the percentage from the waste sector. In contrast, a Greenpeace campaigner interviewed stated that he believed that the government actually invented the 26 per cent figure:

“There is gossip that the 26% reduction [pledged by President] is only a fake number, it was needed to be higher than that of Japan, I have checked with ministerial level officials, you know, Bappenas, MoE, Rahmat Witoelar, Agus Purnomo [Chairperson of DNPI], Zulkifli Hasan [Minister of Forestry], and then the President called on them to increase it 1% [higher which would make] 26% [eventually]” (Interview with Greenpeace campaigner 2014, interview)

The 26 per cent is no longer just a political commitment from President, on behalf of government to international community, but has been included in a policy document so that it is legally binding on certain ministries and institutions to proceed and take necessary actions on it.

The MoF, the MoE and other ministries are assigned to reduce emission respectively from each sector. The MoF, in this regard is assigned the biggest portion compared to other ministries, as the forestry sector is accused of being the highest contributor of carbon emissions in Indonesia. The following table is showing the percentage borne by each ministry.

Table 17 Potential Distribution and Target of Emission Reduction

No	Sector	Emission Reduction		Institutions
		26%	15%	
1	Forestry and Peatland	0.672	0.367	MoF, MoPW, MoA, MoE
2	Waste	0.048	0.030	MoPW, MoE
3	Agriculture	0.008	0.003	MoA, MoPW, MoE
4	Industry	0.001	0.004	MoI
5	Energy and Transportation	0.038	0.018	MoT, MoEnergy, MoPW, MoF
		0.767	0.422	

Source: adapted from RAN GRK

This distribution has left MoF with the biggest target to reduce carbon emissions, together with Ministry of Public Works, Agriculture and Environment. Further discussion on how these ministries respond to these assigned tasks will be presented in the next section and considered against the budget allocated to each ministry.

Table 18 Climate Change-related Tasks Distribution in NAP GHG

No	Ministries/Agencies	Tasks
1	The Coordinating Ministry of Economy	Coordinating the implementation of and monitoring of NAP GHG
		Reporting the implementation of NAP GHG integrally to President
2	The Ministry of National Development Planning	Coordinating research on NAP GHG integrally, based on development planning need
		Reporting the result of research to Coordinating Ministry
		Formulating NAP GHG guidance, integrated into attempt to achieving national target of emission reduction
		Facilitating the formulation of NAP GHG, together with Home Affairs Ministry and Ministry of Environment
3	The Ministry of Home Affairs	Facilitating the formulation of NAP GHG, together with Ministry of National Development Planning and Ministry of Environment
4	The Ministry of Environment	Facilitating the formulation of NAP GHG, together with Ministry of National Development Planning and Ministry of Home Affairs
5	Other Ministries	Implementing NAP GHG and reporting it periodically

Source: compiled from Presidential Regulation on NAP GHG

Although such arrangements have been formalised, the complexity of the institutional setting has never been completely resolved, as indicated by a Director of Forestry and Water Resource Conservation of Bappenas and a member of the Indonesian delegation to UNFCCC, who stated in an interview that:

“Climate change is such an interesting issue, it seems like there will be a bunch of resources flowing to us, everyone gets involved, UKP, then DNPI, Bappenas, MoE too, but when it is asked which institution is actually in charge in and responsible for [forest governance]? None, let’s say our [carbon] emissions suddenly increase, who should be responsible for that? Let’s just say like that, ooh, it wasn’t me - meanwhile Minister of Forestry [would likely say] no way, it wasn’t me either, you did say, involve whatsoever... with such condition...” (Director of Forestry and Water Resource Conservation of Bappenas 2014, interview)

. This may eventually become the only basis for these institutions to distribute the percentage of emissions reduction, in the absence of any supporting resources from government nor empowered instruction from any higher-standing or respected institution. Neither the DNPI, for instance, nor the Coordinating Ministry, have sufficient resources, nor the power or authority to fulfil this role. As a sectoral ministry the MoF has its own legal standing and its own law, as strong as any other sectoral laws. The MoF has a strong collective assumption of what it should be doing to achieve its sectoral goals with or without any other particular issue being taken into consideration, and that assumption does not appear to have changed for a long time.

5.3.5 Challenges of Policy Priority

Prioritising various policies in a sector could be very challenging. Not only because the potential conflict that may arise between different goals, but also the resource allocation that should be distributed to a wide range of programmes and activities. This section presents an analysis of coded texts of policies stipulated by the MoF in relation to addressing climate change.

Even within a sector, diversity can also be seen. Based on the categorisation of forest in the Forestry law and in relation to the effort of addressing climate change, MoF policy products can be categorised as follows:

1. Forest policies addressing climate change or other climate-related context
2. Forest policies on sustainability that imply addressing climate change
3. Forest policies which have no connection at all with climate change and/or climate-related context

This categorisation is helpful to understand how the MoF has responded to the climate change issue in its policies. No policy existed directing climate change as a policy issue in the forestry sector before 2007, since climate change was only acknowledged in the Indonesian forestry sector after the country hosted the COP 13 in Bali. Therefore, policies made by the MoF in that period fall into the second and third categories only.

Policies which fall into the first category usually have at least one of the following keywords like climate change, carbon, emission, mitigation, adaptation, and REDD+. Keywords in the category of policies include rehabilitation, working and strategic plan, conservation, forest protection, sustainable forest management, afforestation, reforestation, and restoration. The third category contains production, organisations, working procedures, human resource management, procurement and career paths.

This categorisation creates a problematic situation wherein some policies might be in alignment with addressing climate change, whilst others might have quite different or conflicting aims.

For the purpose of further analysis, the research split the data of MoF policies into the periods before and after 2007. The data of MoF policies before 2007 was collated and analysed from electronic versions of policy documents provided by Bureau of Law, MoF, and thus the validity of the data is subject to the availability of what has been given to the researcher. Meanwhile the data of MoF policies after 2007 are collated from both electronic and printed versions. However, both kinds of data are regarded as general policy as these were issued and signed by Minister of Forestry (in line with the distinction between general and technical policies already discussed).

The following figure presents an interesting insight into how the climate change agenda has been recognised in the sector. Despite the significant attention MoF devotes to

sustainable forest management (SFM) in its strategic plan document, as discussed in an earlier part of this chapter, Figure 25 shows the number of policies towards the SFM to be limited.

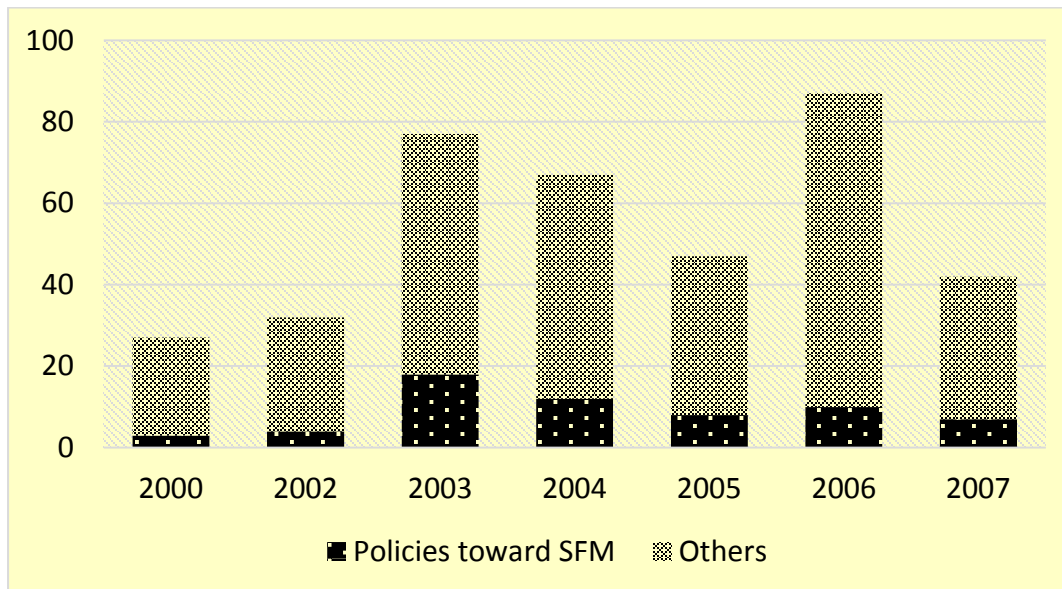


Figure 25 Number of MoF Policies between 2002 – 2007

From this figure, an ambiguity may be perceived in terms of strategic level policy and policy outcomes, since in percentage terms the policies toward SFM are less significant than what is stated and expected in policy priorities that was set up in its strategic plan. This can be due to several reasons, one of which is that climate change itself was not officially acknowledged in the forestry sector at that time, and most MoF policies were focused on organisational and managerial affairs.

This finding does, however, give credence to the argument of a Greenpeace campaigner interviewed, who said that before 2007 the government had never admitted the figure of deforestation rate as presented by numerous international organisations and that this attitude suddenly changed when the REDD+ mechanism was introduced:

“Before 2005, well, let’s say 2007, this country [Indonesia] had never admitted its highest deforestation rate figure, those reported by Greenpeace, the World Bank also said the same thing, [but] when the REDD is introduced, you see, read their statement, now everyone admits, Riau [province] ‘I am the highest’ (deforestation rate), because [it’s very clear] that money is promised, it’s ridiculous, isn’t it?” (Greenpeace campaigner 2014, interview)

According to this respondent, the money has been a pull factor in changing the attitudes of policymakers from denial to complete admission. Ironically the amount of money is very modest if compared to the original revenue generated from the sector. Mr. Hernowo, from Bappenas, believed in interview that the MoF can actually generate far greater revenue than the USD 1 billion promised by Norway.

The money from Norway has been a much-debated topic among scholars and practitioners. An NGO figure from HuMa, who shows his appreciation of the REDD+ initiative in that it can promote the improvement in forest governance in Indonesia as well as resolving the existing legal problem that often arises in the forestry sector, criticises the level of money promised by Norway, that is:

“We appreciate that in a way because it started the national process running in the first place. But to some extent we see that as part of the obligation of developed countries. US\$1 billion is not enough. The North should pay more as part of their ecological debt.” (HuMa officer, interview, 2012)

Certainly if we consider MoF policies from 2008 until 2014, when climate change was acknowledged in the forestry sector, it is clear that the level of attention to climate change by the MoF increased noticeably.

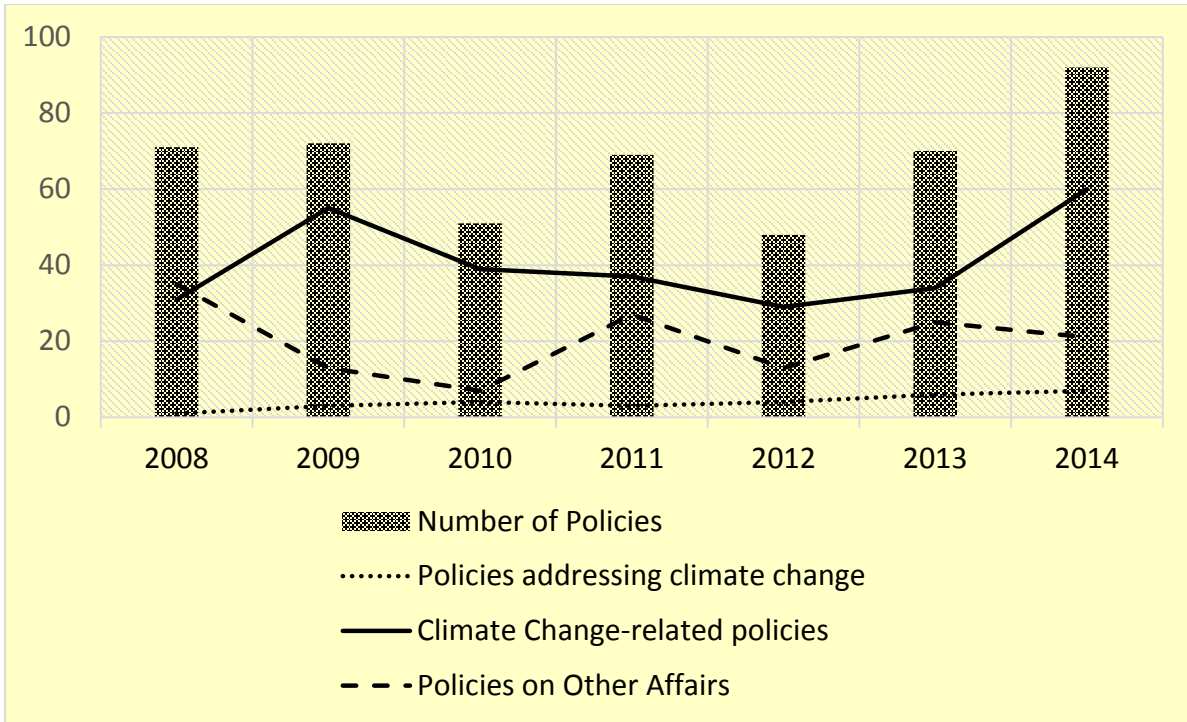


Figure 26 Issues addressed by MoF's Policies

From this figure it can be seen that although the number of policies addressing climate change is not that significant if compared to others, there is a steady year on year increase. However MoF has shown through its changing pattern of policies that there are more and more policies taking climate change into consideration, although the trend may fluctuate.

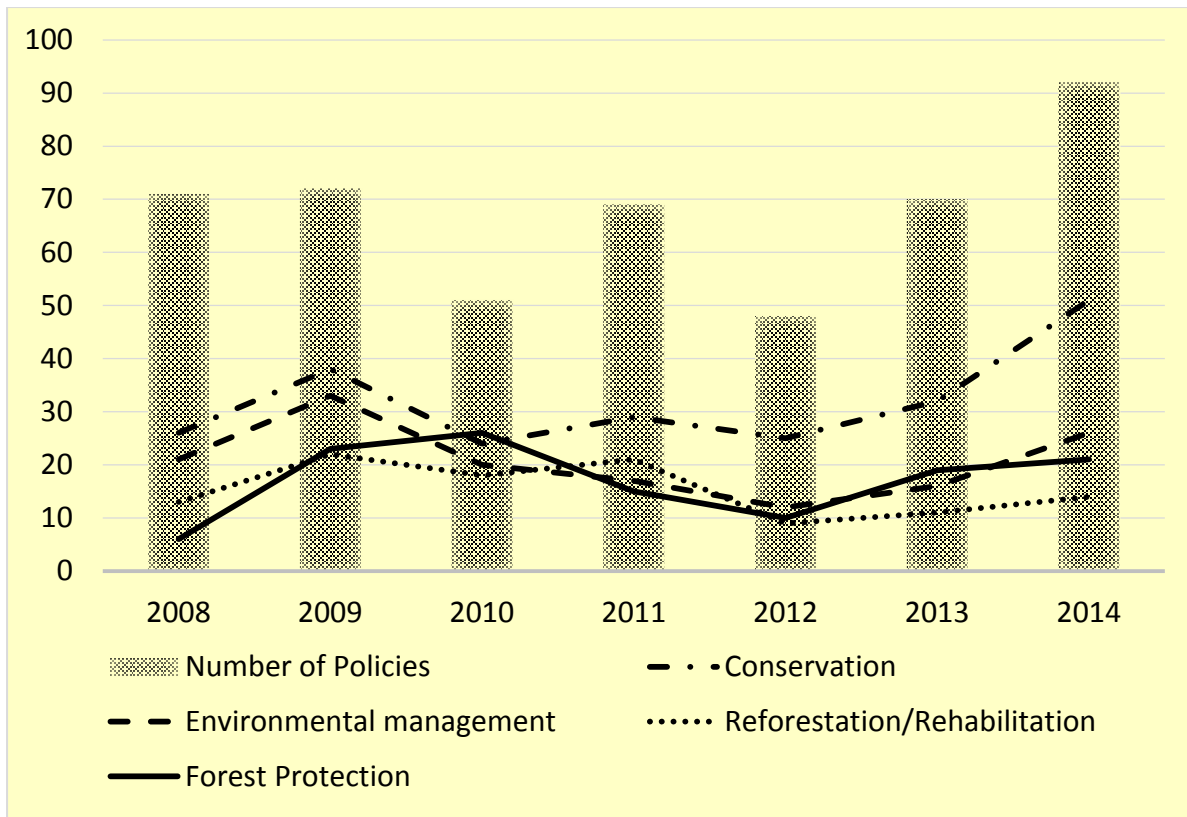


Figure 27 Number of Climate Change-related Keywords in MoF Policies between 2008 - 2014

The most frequent keywords found in climate change-related policies are forest protection, environmental management, reforestation/rehabilitation, and conservation. These keywords may give an indication of the weight of attention paid by MoF to the challenge of making its forests sustainable, although the reality may be different.

Having discussed some policies on climate change and forestry sectors above, the study summarises key policies that are strongly relevant to addressing climate change within the forestry sector as follows:

Table 19 Key Policies in relation to Climate Change

No	Key Policies	Specific issue to address	Sectors/Agencies assigned
1	The Indonesia REDD+ National Strategy	Mitigation	The REDD+ Managing Agency
2	Presidential Decree Number 61 Year 2011 concerning National Action Plan on Green House Gases	Mitigation	Agriculture, forestry and peatland, energy and transportation, industry, waste management
3	Presidential Decree Number 71 Year 2011 concerning GHG Inventory Method	GHG inventory	Agriculture, forestry and peatland, energy and transportation, industry, waste management
4	Presidential Instruction Number 19 Year 2011 concerning Suspension of Granting New Licences and Improvement of Governance of Natural Primary Forest and Peat Land	Mitigation	MoF, MoSA, MoE, UKP4, NLA (BPN), BKPRN, Geospatial Agency, REDD+ Task Force, Governors, Regents/City mayors
5	Forestry Minister's Decree Number P.14/2004 concerning Procedures of Afforestation and Reforestation in Clean Development Mechanism	Clean Development Mechanism	MoF
6	Forestry Minister's Decree Number 68/2008 concerning Demonstration Activities of Carbon Emission Reduction from Deforestation and Forest Degradation	Demonstration Activities of REDD	MoF
6	Forestry Minister's Decree Number 30 Year 2009 concerning Method of Reducing Emission form Deforestation and Forest Degradation	Method of REDD	MoF
7	Forestry Minister's Decree Number 36 Year 2009 concerning The Procedure of License on Utilisation of Carbon Absorption/Stock in Production and Protection Forest	Carbon business licensing	MoF

The first complexity derives from the number of ministries in central government dealing with climate change agenda. The MoF was officially established altogether with 33 other ministries within cabinet under President Yudhoyono administration for the period of 2009-2014, based on Presidential Decree Number 47 Year 2009 on the Establishment and

Organisation of State Ministries. The ministry is among the second layer ministries²⁹ whose tasks are listed in the constitution. Its main duty is to establish and implement policies on forestry sector nation-wide.

A number of ministries are assigned to deal with land based sectors that involve not only the MoF, but also ministries in charge of agriculture, mining, public works, development planning and spatial planning. This includes organisations other than ministries, such as councils and working groups.

MoF is allocated specific tasks on climate change as directed by Presidential Decree Number 61 Year 2011 on National Action Plan of Green House Gases (GHG) Reduction, RAN GRK. In addition, there are two other ministries - the Ministry of Public Works and the Ministry of Agriculture - which are assigned, along with MoF, the same field of forest and peatland in the decree. These two ministries are responsible for 209.96 million tons of CO₂ reduction, while the MoF is solely responsible for reducing carbon up to 620.25 million tons of CO₂ by 2014. This emphasises the much more important role the MoF is meant to have been playing, compared to the other two ministries.

5.4 Complexity of Polity

The interrelated roles of competing agencies in addressing climate change in the forestry sector are the visible signs of a complex polity. This section provides further analysis on the complexity of policy system where policy making takes place involving actors, institutions and the system itself.

²⁹ See the discussion on Ministry arrangement on Chapter Background

5.4.1 Politics-Bureaucracy

This complexity refers to the relationship between legislative and executive government in making policy. Any policy that is made in a sector is usually based on an agreement in principle between legislature and executive powers. The relationship between politics and bureaucracy can be problematic, as is widely recognised by scholars (Peters, 2010, Kettl, 2014).

Policy making in the forestry sector should be in accordance with Law 41 Year 1999 on Forestry. Other sectoral laws, particularly those dealing with land-based sectors such as agrarian law, spatial planning and development planning system law, should also be taken into account. Sectoral laws are a source of complexity.

In accordance with the enactment of Law 12 Year 2011 concerning Making Rules, the policy making structure within a sector is required to comply with national-level policy structure. The hierarchical system of rules established by law guides how policy is made in each level of government. A higher level law or regulation means a broader coverage and a more strategic regulation and thus an obligatory one for the subsequent regulation. A government agency which is in charge in any sector should and must refer to any preceding or higher related-law and regulations whenever it is about to make a policy. In this regard, MoF's own policymaking structure is no exception.

Politicians are not always in agreement with the bureaucracy on specific issues. At national level, climate change may be seen important and put on the policy agenda. Yet the issue is not a must-do policy like any other prioritised policies where allocated budget is higher. At the local level, for instance, the local politicians never really like the idea of sustainability-related policy and programmes in their area, since the issue is not interesting enough to attract voters, and thus they often prefer to fight for issues that are a more direct

means of gaining popularity, such as health, welfare and social assistance. Issues like climate change, sustainable forest management and forest protection are unlikely to be in the priority list. This opinion was also echoed by other informants from local NGOs.

5.4.2 Structural Problem

The problem of defining 'forest' land may be one of the most basic but complex problems. Since forest is a land-based sector, the MoF has always been joined by other land-based ministries and agencies in governing forest. The MoF is required to consult and communicate with surrounding institutions that share common interests in forestry sector, for example the National Planning Agency, REDD+ Managing Agency, Ministry of Environment. This process of communication cannot be avoided because forest governance derives also from legislation from a variety of fields, including development planning, agriculture, environment, spatial planning and local government.

One informant who was an activist of a well-known environmental NGO called Walhi and who serves as Advocacy Manager for Climate Change told the researcher that a tenurial problem may arise if the structural problem of conflicting legislation is not resolved at the outset. He cited the example of the on-going REDD+ initiatives which take a similar approach to other forestry projects that deny customary rights.

It also can be seen that the initial problem comes from a questionable definition of forest itself and the lack of a clear definition of what constitutes forest by law that can be accepted by all related institutions. Furthermore, he argued that:

“Walhi sees that forestry sector is actually a technical institution which could play its role in determining tenure, so this is what we thought that we are actually talking about agrarian law, so when forestry talks about tenurial matters, then there should be synchronisation done, there cannot be a standalone law to determine which area is forest and which one is not, on the other hand, [there is a] law on spatial planning,

which these three should have been synchronised into a policy, what is happening now the three laws are apparently conflicting each other which eventually creating structural problem, particularly from a tenurial perspective, and then conflict...”(Walhi Advocacy Manager of Climate Change 2014, interview)

For this informant, at least three laws of forestry, agrarian and spatial planning should be synergised from the outset before proceeding to other, newer forestry projects, so that forest governance can be improved first. In line with this, a senior researcher in CIFOR gave clear and current examples of how this complexity of conflicting laws may arise on the ground commonly faced by government from various sectors:

“[Let’s talk about] palm oil, [Ministry of] Agriculture should open land, shouldn’t it? They cannot extend unless they convert forest, again this is a sectoral issue, it is impossible to work alone, because most of forest is under MoF authority, on the other hand has its own objective goals to achieve. The mineral [sector] should contribute a certain amount of revenue to the national budget, roughly speaking, see, it should be managed, our minerals, so should agriculture, we need to export, [while] in forestry there are two mandates i.e. conservation, that it needs to preserve its forest, but at the same time it needs to make sure that development runs smoothly whether by giving concessions to agriculture or mining, so by default forestry sector has a dilemma...” (Senior Researcher of CIFOR 2014, interview)

This is why MoF cannot work isolation in the forestry sector without crossing into other jurisdictions, simply because forest is a land-based sector that may involve numerous institutions. A member of National Council on Climate Change (DNPI), expressed his feeling about how complicated the policy process may become, given the number of institutions involved in forestry sector.

“When we are talking about climate change issue in the forestry sector, why should the Environmental Ministry be involved? It is a forest fire, isn’t it,?[on the other hand] Bappenas produced a must-obeyed RAN GRK. There is also Ministry of Agriculture when it comes to land conversion,... spatial matters, not only agriculture, but also road development, mining, transmigration. Not to mention, Ministry of state affairs and local governments are there when it comes to local affairs, Ministry of Energy,... REDD+ Managing Agency.. etc (Member of the DNPI 2014, interview)

The informant drew an illustration, on a printable board, of how addressing climate change is perceived by MoF in relation to other sectors:

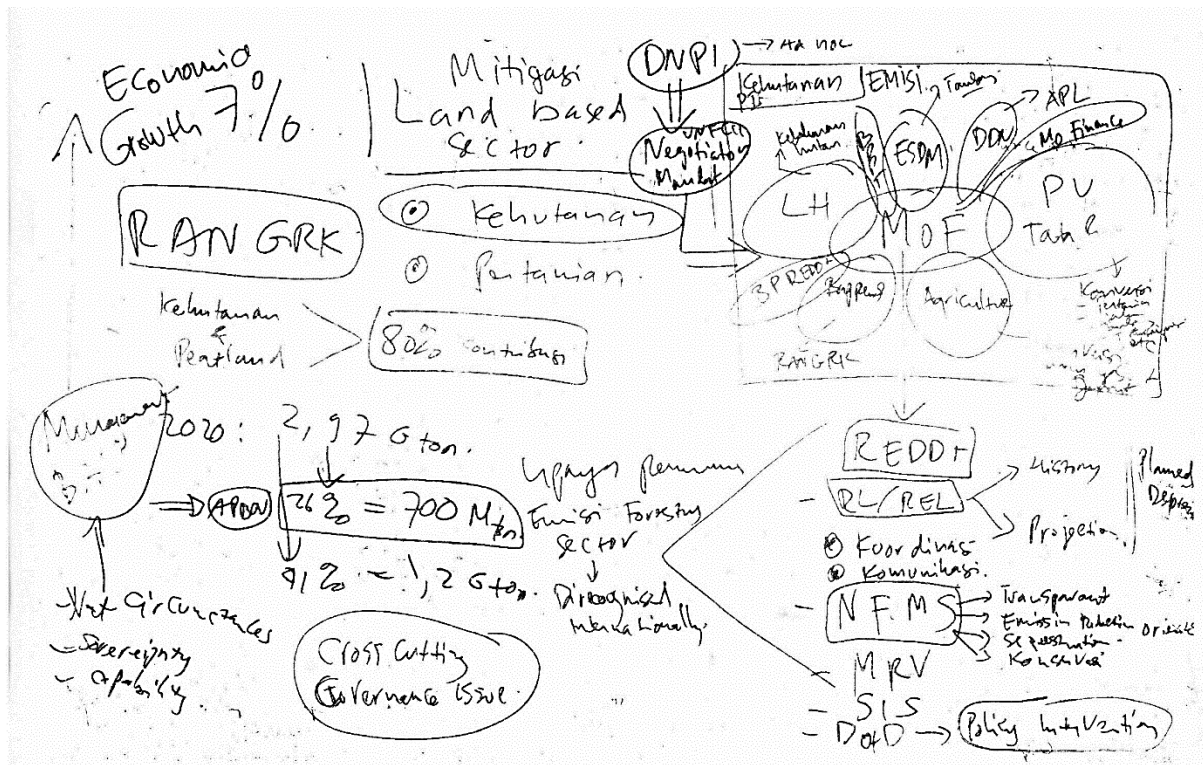


Figure 28 Illustration of Climate Change Policy Making Complexity

Source: informant, member of the DNPI 2014, reprinted with permission

From the illustration, on the right upper box, the informant explained that there are some other institutions that overlap with MoF when it comes to forestry policy making; REDD+ Managing Agency, Ministry of Environment (LH), Ministry of Public Works (PU), Ministry of Energy and Mineral Resources (ESDM), Ministry of State Affairs (DDN), Bappenas, Agriculture, and Ministry of Finance are those in place surround MoF. The complexity arises particularly because mitigation of climate change is a mainly land-based sector, which the aforementioned ministries are in charge of.

5.4.3 Policy-making Hierarchy

Another form of complexity is associated with the hierarchy of policy making from the highest strategic level down to implementation level. In 2011, the Minister of Forestry issued a Minister's Decree Number P.2/Menhut-II/2011 concerning Guidance on Formulation of, Implementation of, Evaluation of and Revision of Public Policy. The Minister's Decree standardises how a policy produced by MoF or any MoF sub-organisational unit is initiated, made, implemented and evaluated. This contains basic working procedures such as how to raise the issues to be included in a policy, to identify and select them, and finally to stipulate them in a formal policy.

An identical decree was issued earlier by the Ministry of Bureaucratic Reform (Menpan). This Ministry's Decree Number PER/04/M.PAN/4/2007 concerning Guidance on Formulation of, Implementation, Evaluation and Revision of Public Policy binds all ministries and local governments. However none of the informants interviewed referred to this document in connection with MoF's policy making process.

An understanding of what the MoF actually does with regard to addressing climate change at a more strategic policy level can be drawn from the MoF's institutional vision which is the first statement of what the MoF is intending to accomplish during a certain period of time. In the Minister's Decree Number P.51/Menhut-II/2010 concerning MoF Strategic Plan 2010-2014, the vision of MoF is stated as "*Hutan Lestari untuk Kesejahteraan Masyarakat yang Berkeadilan*" which means "Sustainable Forest Management for Equitable Community Welfare". This vision actually corresponds to the forest functions defined in the Law on Forestry i.e. conservation, protection and production. The first two, conservation and protection, refer to preserving forest functions from any form of destruction and

returning forest to its initial state, whereas the production function is developed to create economic value from forest utilisation.

Interestingly this stated vision is largely similar to the preceding 5-year ministerial vision which is stated in Minister’s Decree Number P.04/Menhut-II/2005 saying that “Achieving forestry management which ensure the sustainability of forest and the increase of community welfare”. Both visions share the similar values and willingness from MoF to achieve sustainability in forest management. Both also explain that MoF’s tasks are not only to ensure the forest is governed and managed sustainably but also to help enhancing the welfare of community living in and surround forest.

The MoF has furthermore established its mission with policy priorities that are mainly to support sustainability, such as forest rehabilitation, protection and conservation. The current (2010-2014) policy priorities, if compared with the preceding ones of the 2005-2009, suggest that there is not much difference in the weighting of ministry attention between sustainable forest management and climate change.

However, although the MoF’s vision for the last 10 years has been largely in line with addressing climate change, there are slight differences between the two sets of policy priorities that can be seen as follows:

Table 20 Comparison of MoF’s Middle Term Missions in Two Period of Administration

2005-2009		2010-2014	
Policy Priorities	Keywords	Policy Priorities	Keywords
Combatting timber stealing in state forest and illegal logging trade	Protection*	Protection of forest and forest fire control	Protection*
Forest land adjudication	Law enforcement	Establishment of forest land	Law enforcement

2005-2009		2010-2014	
Policy Priorities	Keywords	Policy Priorities	Keywords
Forest Resources Rehabilitation and Conservation	Rehabilitation*, conservation*	Forest rehabilitation and increase carrying capacity of watershed management	Rehabilitation*
		Biodiversity conservation	Conservation*
Revitalization of forest utilization and forest industry	Utilization, Industry	Revitalization of forest utilization and forest industry	Utilization, Industry
Economic empowerment for people living in and surround forest land	Social	Community development for people living surround the forest	Social

Source: summarised from 2005-2009 and 2010-2014 MoF Strategic Plan Document

According to the 2005-2009 MoF Strategic Plan, the MoF could contribute directly to the climate change agenda through at least two out of five policy priorities, i.e. to prevent forest from any kind of harmful actions and criminal offence and to restore the forest state. The following period of MoF Strategic Plan determines half of its policy priorities as pertaining to contribution to mitigating climate change. The other priorities of both largely emphasise the development of social and economic values of the forest as well as enforcement of law.

From these sets of policy priorities, it is clear that the MoF, through their strategic plan, has for some time been preparing itself to acknowledge the issue of climate change, or at least has been in agreement with the effort of mainly mitigating climate change. Accordingly, a majority of interviewees agree that an alignment between sectoral policy goals and the effort to address climate change is plausible.

5.4.4 Sectoral Tasks and Objectives

Tasks and objectives of a sector can be complex. Each sector should have defined their specific tasks to be carried out and what objectives to pursue. Policy making in any sector cannot avoid such complexity.

Another form of complexity is associated with the hierarchy of policy making from the highest strategic level down to implementation level. In 2011, the Minister of Forestry issued a Minister's Decree Number P.2/Menhut-II/2011 concerning Guidance on Formulation of, Implementation of, Evaluation of and Revision of Public Policy. The Minister's Decree standardises how a policy produced by MoF or any MoF sub-organisational unit is initiated, made, implemented and evaluated. This contains basic working procedures such as how to raise the issues to be included in a policy, to identify and select them, and finally to stipulate them in a formal policy.

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By contrast, “...nearly all of the richest people in Indonesia run forest-related businesses or own land-based industry...” (Greenpeace Campaigner 2014, interview). It is therefore the richest groups in society who are primarily benefitting from the large-scale economic exploitation of the forest³⁰, with a major negative impact on the very forest sustainability, that MoF is required to promote.

The latter group of tasks, which is much closer to addressing climate change, and regarding which most MoF stakeholders and particularly environmentalist activists are in agreement, consists of the rest of the remaining tasks mandated in the decree as follows:

1. The Establishment of Forest Management Unit (FMU), that includes forest with its production function;
2. The development of the environmental service;
3. Forest land adjudication;
4. Forest and land rehabilitation;
5. Forest reclamation along watershed;
6. Controlling forest fires;
7. Forest protection, and
8. Development of conservation area.

The first three tasks mainly concern how the MoF exercises its power, authority and its organisational and managerial functions. Establishing FMU is claimed to be an important part of improving forest governance at the lowest level. Forest land adjudication, on the other hand, is to provide a basis of, and certainty about, the legal standing of forest land, as the Law on Forestry mandated. The majority of interviewees agreed that uncertainty

³⁰ see <http://www.thejakartapost.com/news/2013/09/17/sinar-mas-owner-ri-s-richest-man-again-bloomberg-finds.html> and <http://ceoworld.biz/2014/12/08/top-50-richest-people-indonesia-2014> for comparison of data

regarding forest status would lead to conflict between related ministries or between government and customary society.

In terms of the environmental service provided by the MoF, an official of Environmental Service Sub Directorate, who also serves as a member of the MoF REDD+ Working Group, expressed the following view:

“...fortunately in Government Regulation Number 6 Year 2007 [on Governance of, Management Planning of, and Utilisation of Forest], there is the so-called environmental service, that is to store and sequester carbon, that is., because this forest plays also important role in storing and sequestering carbon...” (a member of REDD Working Group, 2014, interview)

She, furthermore, explained that the term “carbon” is explicitly mentioned in the official tasks of her organisational unit, and thus more and more people refer to her and the unit whenever asked about climate change. Government Regulation Number 6 Year 2007 on Forest Governance, Forest Management Planning Formulation and Forest Utilisation, article 25 and 33, stated that carbon sink and sequestration is part of the environmental service provided by the MoF for both protection and production types of forest.

The last five tasks largely concern the efforts of the MoF to preserve and restore the forest to its natural function, so that eventually the forest could serve as both carbon sink and sequestration. Forest rehabilitation and reclamation are mainly to restore forest from a damaged and degraded state. Controlling forest fire, on the other hand, along with forest protection, is aimed at protecting forest from any potential harmful threat. In addition, conservation effort is important in keeping forest sustainable and functioning as it should be.

Despite the difference between the two groups of tasks, both may be considered as contributing to national actions on addressing climate change, as both carry a certain obligation to reduce carbon emissions.

How the MoF bears climate change tasks can be gauged from the following graph, which shows the breakdown of percentage for each task in relation to reducing carbon emission.

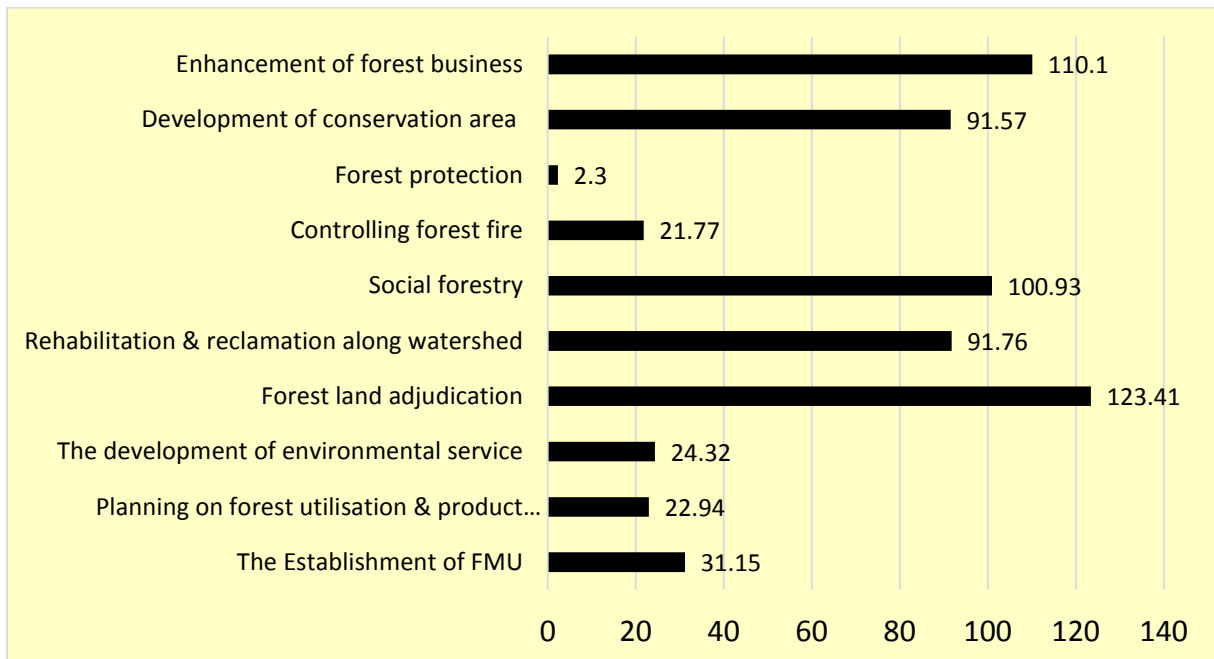


Figure 29 Carbon Emission Reduction Target by the MoF by 2014 in million tons of CO2

Source: adapted from Presidential Decree Number 61 Year 2011

From the figure, the government is, as discussed above, both maximising forest utilisation by supporting the forest product industry and protecting, conserving or rehabilitating forest from destruction. However, both groups of tasks contain climate change targets – particularly the second group which accounts for 386.28 million tons of CO2 or 62% of MoF’s total; the industrial-related tasks are also required to yield a significant carbon reduction, amounting to 38% of the total reduction.

From this it can be inferred that the MoF’s stated tasks, as mandated by laws and regulations, are in agreement in principle with the idea of addressing climate change and reducing carbon emissions, although not necessarily in practice. Therefore, at a strategic level, there is no conflict between sectoral vision and climate change.

In conclusion, the MoF as a sectoral agency is mandated officially by the President to carry out climate change-related tasks by reducing carbon emissions from the forestry sector. However there is considerable complexity in the policy making process. Policymaking within MoF may be understood and analysed in two ways i.e. by examining its formal/informal policymaking processes and by analysing 5-year strategic plan document and its policy output.

5.5 Conclusion

This chapter has defined three inter-related dimensions that make policy making in the sector happen. This is due to the potential conflict that may arise between the sectoral goals and the cross-sectoral ones. In the case of policy making in the forestry sector in Indonesia, it is identified that the role of institutions beyond the MoF is influencing and thus significant in making policy in forestry sector. Three inter-related dimensions can be summarised as follows:

1. Issue competition is indicated by the potential conflict between climate change agenda as a cross-cutting issue with the sectoral issue(s). The sectoral ministry has to address both internal and external interests at the same time. The MoF has also to carry out two conflicting functions: conservation and production. This kind of competition between policy agendas is inevitable and . takes place not only in the prioritising process, but also its further impact on budget allocation where only the winning side can be allocated more budget.
2. Policy making in the forestry sector has also to deal with diverse interests. Each interest represents policy agenda brought by particular power and authority. There are numerous institutions beyond the MoF that play a role in forestry governance, and thus

influence the policy making process. Bappenas, the REDD+ Managing Agency, the DNPI, the MoE and other ministries and agencies are among those institutions with such varied interests. The existing arrangement has distributed roles among those institutions and put the MoF in a situation where power and authority over forestry should be shared in accordance with addressing climate change agenda.

3. The polity is a further source of complexity. The bureaucracy is not free from the political environment given that government decision-making and policy implementation need to align line with politicians' preferences. The policy process also has to contend with a number of cross-cutting laws and regulations that could constrain the on-going process. It is not only the various sectoral policies that create such complexity, but also the hierarchy of how policy making is being processed. Finally, the sectoral tasks and objectives could contribute to the complexity of polity where potential conflict may arise.

Policy making in the forestry sector has to deal with three interrelated dimension as discussed above. Any changes that take place in one dimension would influence the policy making as a whole.

Chapter 6 Organisational Arrangements

6.1 Introduction

This chapter sets out to analyse the organisational arrangements within the Indonesian forestry sector that involve not only the Ministry of Forestry (MoF) but also those beyond the MoF in response to the climate change agenda in the forestry sector. This is to discover whether the climate change agenda has effected changes in MoF organisational structure as well as in forestry-related organisational arrangements beyond MoF. In addition, the analysis identifies to what extent such arrangements promote climate policy integration in forestry sector.

Since policy integration concerns the management of cross-cutting issues in policymaking, organisational changes underway included ministries and agencies becoming more centralised, in particular because of the effects of this set of organisations and the policymaking structure. The organisational arrangements within and beyond the MoF provide empirical evidence for comparing and contrasting the practice of agencification (and de-agencification) by government in addressing climate change in forestry sector as to whether it enables or limits policy integration.

6.2 Institutional Context and Silos

This section discusses and analyses the findings on the institutional context of organisational changes that are underway within the forestry sector, including the presence of competing agencies as well as the 'silo' behaviour that still exists among ministries and agencies in the sector.

6.2.1 Institutional Context

As discussed in chapter 3, the organisational arrangement in the forestry sector has undergone different processes of structural separation, managerial autonomy and accountability. This is due to the enactment of diverse laws and regulations binding forestry affairs both at national and local levels. It could be taking place both horizontally among institutions and vertically between central-local relationships.

The forestry law number 41 Year 1999, for instance, has been a major law for forest governance nationwide. However it is not the only law that is regulating the forestry sector. When it comes to spatial planning issue, mining business, local government and many others, other sectoral laws may apply either separately or together with other related law(s).

The institutional framework of policymaking at national level is constructed by at least three general laws. The first one, it starts from the hierarchy of laws and regulations governed by the Law 12 Year 2011 concerning making rules. This law standardises laws and regulations structure based on certain hierarchy. In principle, the higher statutory standing of one institution holds the more power and authority over others. At the same time, a law governing specific issues overrides those governing general principles. In this regard, forestry sector and climate change are bound by both specific and general legislation.

The second is the Law 24 Year 2004 concerning the National Development Planning System. This law governs all central and local governments in making development policy and planning in short-, medium- and long-term periods. The law authorises the Ministry of National Development Planning or Bappenas to be in charge of this process. No government institution is allowed to make and plan its sectoral policy as well as obtain needed-resources without prior approval from the Bappenas.

The third is the law governing the relationship between central and local governments, which is the Law 34 Year 2004 concerning Regional Administration. This law is popularly known as the decentralisation law, which grants local governments, in particular district or municipality governments, with the authority to conduct their local governance.

These three laws are among the most influential across different sectors and institutions at national level. In brief, the three laws define what principles other ministries and agencies should follow in order to form their organisational structure, plan their annual, mid- and long-term programmes, as well as how to deal with local governments

This situation explains the institutional context for addressing climate change in the forestry sector, which leads to how the involved-ministries and agencies competing each other by keeping their resources for their own interests. Yet, at the same time, some individuals or sub units within ministries may serve as the role models of climate change agent, such that their success is emulated by others.

The less general or more specific laws that relate to climate change agenda within the forestry sector can be divided into sectoral laws and climate change-related laws. Thus far the country has two laws concerning ratifications on climate change-related events i.e. UNFCCC (the Law 6 Year 1999) and Kyoto Protocol (the Law 17 Year 2004). Meanwhile a number of sectoral laws also have some degree of influence as can be seen as follows:

1. Law 5 Year 1960 concerning Basic Agrarian Land
2. Law 41 Year 1999 concerning Forestry
3. Law 26 Year 2007 concerning Spatial Planning
4. Law 32 Year 2009 concerning Protection and Management of Environment
5. Law 18 Year 2013 concerning Prevention of and Eradication of Forest Destruction
6. Other sectoral laws

These laws above mainly deal with those categorised as land-based sectors. These laws are interrelated in a number of ways, particularly when it comes to addressing cross-cutting issues. In addition, such laws are accordingly translated into hundreds of regulations ranging from government regulations and presidential regulations at national level to provincial and regency/municipal regulations at local levels.

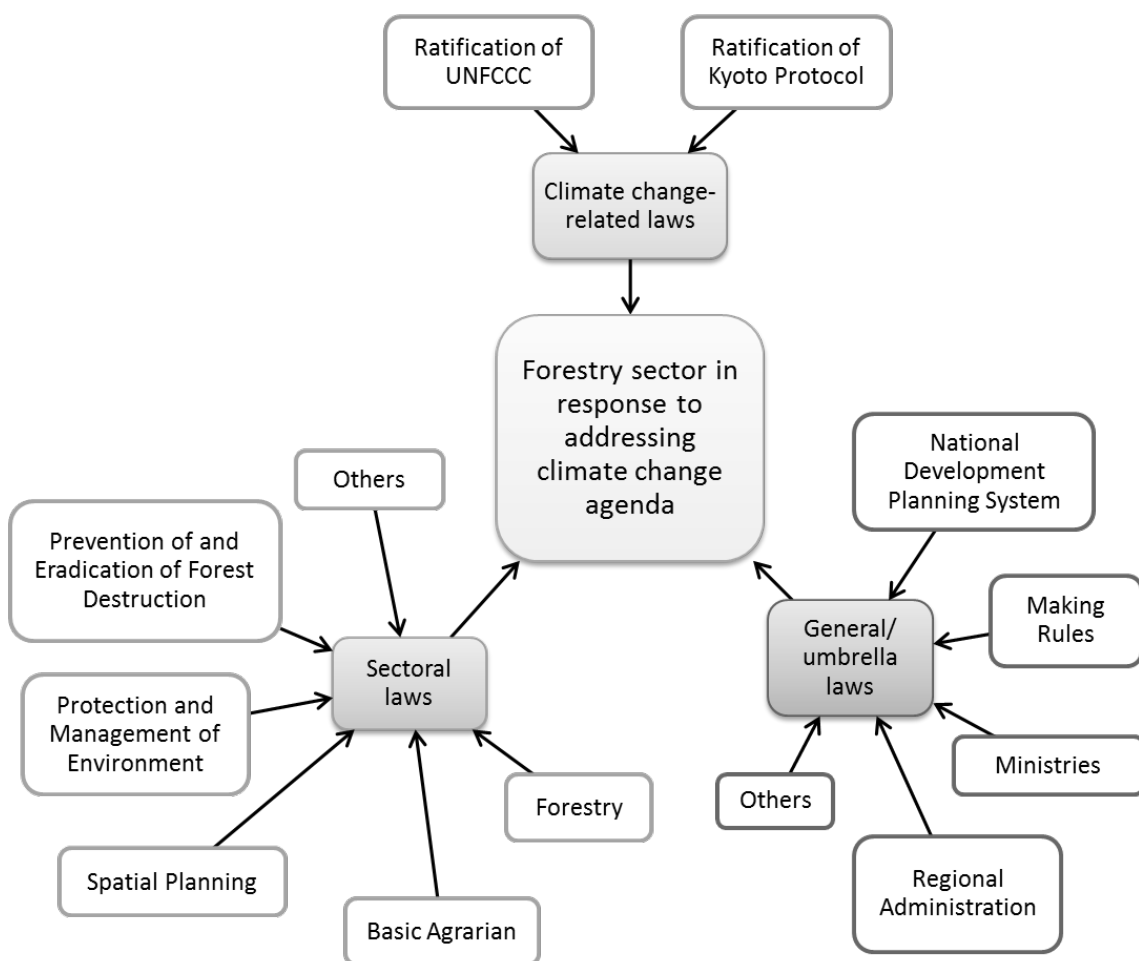


Figure 30 Institutional Framework of Forestry Sector

Source: prepared by the researcher

It is clear therefore that the forestry sector is constrained by a range of non-sectoral laws and regulations. From the figure above, for example, when forestry sector is about to address climate change, there are at least three groups of laws and their subordinate regulations affecting it at the same time. In terms of whether or not MoF is willing to put climate change as one of its policy priorities, some informants expressed doubts over whether MoF would actually take a step in this direction. An international researcher from CIFOR who was interviewed in Jakarta expressed such doubts:

“But the point is .. I am not sure climate change is that kind of priority in forestry, I mean above forestry, you know the tax payer, local level flooding, ... I think that partly the NGOs get it wrong, the ICW (Indonesian Corruption Watch, an NGO), a lot of NGOs would see it as national asset, and I think that could be a much more stressful way to go and to say, you know, the world is, America is suffering from hurricane because of...” (a CIFOR researcher, 2014)

Beyond the MoF's policy priority, there is a policy arrangement like the REDD+ National Strategy (Stranas) that was formed by the REDD+ Taskforce. The Stranas has a very weak legal basis, as it was only stipulated by a decree which was issued by the UKP4, a working unit for presidential office. Having this weak position, the Stranas is not comparable to the statutory status possessed by the MoF.

In addition, changes in policy arrangements beyond the MoF are also part of the constraints, as in the case of the formulation of the forest moratorium policy which involved several ministries and NGOs in advance before being stipulated. According to the Forestry Coordinator of HuMa:

“It was initially a presidential regulation, but then a presidential instruction, its legal basis, it is no longer policy intended to regulate outside, instead a policy for internal MoF only, and [redacted] it was natural forest to be included, but then primary forest, and then there were four exceptions, principles of licensing were not touched at all... that was on President's table, distributed to ministries, and MoF was the most influential” (the Forestry Coordinator of HuMa, 2014).

In relation to that, mitigation is seen as being at the top of the Indonesian carbon emissions agenda, supported by the international community by promising their financial and technical support (Resosudarmo et al., 2013). Although there is a commitment to maintain the climate change agenda within the sector, the institutional context of forest governance is far from being ready. When it comes to addressing climate change, there are a number of institutions at national level that have influence, either officially or politically. These institutions vary in terms of their chosen focus. One institution may focus on certain national planning, others do coordination or sectoral implementation, and it is likely most of the time they do not synergise with each other. This creates difficulties and uncertainty in defining and deciding which institution should and should not be included in an appropriate configuration for addressing the climate agenda.

6.2.2 Competing Ministries and Agencies

Various ministries and agencies thus exist in the forestry sector and present challenges in terms of governing that sector, in terms of overlapping functions and roles that are assigned officially to more than one ministry or agency such that the organisational arrangements in the sector are multifaceted and uncertain.

The first challenge in dealing with such uncertainty is defining which ministry or agency should take a lead in this business. Leadership becomes an issue among these ministries or agencies in governing the sector, especially when it comes to addressing climate change. Assuming that the leading institution should be the one which holds the utmost authority over forestry, then the MoF should have taken such position. An argument in favour of putting the MoF in the first place was voiced by an informant from MoF, as follows:

“...Indeed there are more institutions getting involved, but principally most of activities related to REDD take place in forest, climate change, deforestation issue, it true that forestry (MoF) should be leading when it comes to who should take a lead...”
(A senior researcher of MoF, Head of ITTO project, 2014)

This opinion was echoed by other informants, regardless their doubt over the MoF’s capacity and integrity to carry out such role. In addition, the MoF’s leadership on the climate change agenda has been clear from the beginning, particularly during the time of COP13 when the ministry established the Indonesian Forest Climate Alliance (IFCA), a kind of ad-hoc institution working on outlining key elements of REDD, methodologies, policies and arrangements. This institution is comprised of various elements from ministries, donor agencies and research institutions as well as NGOs. It was confirmed by a number of informants that the MoF had taken a lead in climate change agenda in the sector.

Nevertheless the climate change agenda is not merely about forestry alone, although the sector is considered the most significant one in the Indonesian context. At national level the climate agenda was originally under the Ministry of Environment (MoE), long before the MoF and other institutions became involved (Resosudarmo et al., 2013). The MoE carried out the focal point function of the country for the UNFCCC. The COP13 in Bali was, in fact, chaired by the Minister of Environment. The ministry played a critical role in climate change negotiations, particularly at international level. Therefore the MoE has some basis to be in the first place in taking a lead over other institutions when the government is about to address climate change. Interestingly, an informant from the MoE stressed that the jurisdiction of the MoE was confined to the waste sector, apart from being the focal point for the climate change negotiations.

Other sectoral ministries such as the Ministry of Agriculture (MoA), the Ministry of Transportation (MoT), and the Ministry of Energy and Mineral Resources (MoEM) are less

challenging due to their indirect role in the context of addressing climate change. These ministries are unlikely to take a lead in climate change governance as they have less influence on the policy agenda on climate change. In addition, it is not practically possible for these ministries to put climate agenda high on their priority list.

However the leadership of MoE on climate change has been challenged by other institutions, not only the MoF, as discussed above, but also by numerous smaller and specialised agencies. There are at least six relevant ministries and agencies that are visible at central government level, such as the Presidential Unit for Development Oversight (UKP4), the REDD+ Managing Agency, the National Council on Climate Change (DNPI), the National Planning Agency Ministry (Bappenas), the Ministry of Finance (MoFi) and the Ministry of Home Affairs (MoHA). These agencies are extremely influential in any climate-related policy making process. Each has its specialised tasks, but some of these tasks may be found to overlap.

The UKP4, for instance, is a powerful authority, controlling nearly all ministries and agencies both at central and local levels. The unit was established to help the Presidential office monitoring all ministries as well as to get the needed report in the first place, faster than waiting for the ordinary reporting mechanism. Their oversight function, however, resembles that carried out by Bappenas. Sometimes ministries receive similar report instruments from these two agencies, which eventually lead to repetitive work being done by ministries. The Head of Planning Bureau of MoF confirmed the existence of this duplication in reporting and admitted its ineffectiveness. At local government level , other ministries such as the MoHA would also get involved, and the three agencies would seemingly compete with each other.

Inevitably, such complexity affects the climate agenda in the forestry sector. The MoF would take a lead as long as it came under their jurisdiction. Although initially the UKP4 was intended to respond to the Lol between Indonesia and Norway only, in the context of REDD+, the UKP4 can use their influence and even take over the case when it comes to maintaining political commitment from the President's inner circle.

The UKP4 strengthened its portfolio in climate change by establishing the REDD+ Taskforce, which later became the REDD+ Agency. The terms of the agreement between Indonesia and Norway include a requirement to set up a new institution to manage the grant rather than utilise the existing institution. Yet, most informants believe that neither the UKP4 nor the REDD+ Agency are able to fulfil a coordinating role over ministries. Both share a similar weakness, which is their statutory basis.

Bappenas, at the same time, would lead in terms of resource distribution, design and planning. The Forestry Director of Bappenas believes that his institution would prefer to have all development programmes and government activities in all sectors planned well like those in the past under Soeharto regime, when nearly everything was centralised by the Bappenas as law mandates it.

“...we have our own legality, the National Strategy (Stranas) has no such thing, so it is more like..., do what you need to do, even if it is instructed by President, yet, once it is about to execute the programme into planning and budgeting mechanism, you need to speak the same language with us, no matter how good your programme is, [REDACTED] because it is not recognised by our mechanism” (Director of Forestry Affairs, Bappenas, interview)

The DNPI, on the other hand, was established to respond to and address climate change as a cross-sectoral issue. It was initially to coordinate all sectors involved in addressing climate change. It also serves as a focal point of the country in the international negotiations. Such roles are strategic in keeping the agenda visible in policymaking. It

includes carrying out the coordination function over ministries. Unfortunately the coordinating role of the DNPI has been weak since the institution status is an ad-hoc organisation, meaning that the council is vulnerable to being abolished at any time. According to one informant—the Advocacy Manager of Bioregion and Climate Change, the DNPI is not only losing its coordinating power but also increasingly becoming a competitor of other institutions, which is irrelevant to the role the council was intended to play. The reason why the DNPI is relinquishing this role because the substance of forestry belongs to the MoF, while other sectors have their own institutions.

A coordinating function among ministries in the climate change-related forestry context, could also be played by another agency, a stronger institution like REDD+ Agency or even by the Coordinating Ministry (although, as argued in the previous chapter, neither has the resources or authority). In addition to that, this institutional setting includes the NAP GHG (RAN GRK) under the Coordinating Ministry of Economy, Finance and Industry (Menko Ekuin), while the DNPI is subordinated under the Coordinating Ministry of Welfare.

Last but not least is the role of MoFi, which, in the Indonesian context, plays a decisive role, not merely as a ‘cashier’, but also as a designer and policy maker in many sectors. Given the importance of budgeting in policy making (see Kettl, 2012, Peters, 2010) all ministries and agencies need to secure their own budget and thus would be likely to accept any rule and regulations made by the MoFi. This makes the MoFi seemingly more authoritative than any other ministries or agencies. A not dissimilar situation occurs with the MoHA when addressing climate change by local governments. The MoHA enjoys such prestigious position, local governments would tend to listen only to them. Informants from local government were unanimous in the opinion that no sectoral ministry would be able to reach local governments without going through the MoHA.

6.2.3 'Silo' Mentality

Another perspective from this institutional context suggests creating a more proportional distribution of tasks between these organisations. Therefore, instead of competing with each other to win the ownership or the leadership of the climate change agenda, a proper distribution of climate change-related tasks would be preferable and beneficial. Nevertheless what is happening on the ground has shown a different picture as ministries and agencies tend to keep their jurisdictions sealed off for their own purposes.

The competition currently under way between ministries and agencies was evident from the start of the establishment of REDD+. This can be clearly seen when, for example, there is a need to define what forest and peatland should be included as part of the deal with Norway. The Head of the then REDD+ Taskforce stated that:

For the first map we only used data from the Ministry of Forestry. We thought that the area had peat. Deep peat. But then we received data from Ministry of Agriculture that had not only desk studies but had also gone on the field. And they reported that there was no peat in the area. The real issue is that there was more than one map, more than one authority. That is the real issue. (Interview with REDD monitor 2012)

The ownership over whose peatland and forest should be included has been in dispute from the beginning aided by the fact that the current configuration of laws and regulations relating to either forests or peatlands allows various definitions of forests and peatlands. This situation makes synergy among institutions more difficult.

What makes matters worse is that each ministry or agency has its own statutory standing and policy product that can encourage each of them to act and exercise their power in isolation. They tend to secure their own objectives before embracing other issues or sectors. According to the majority of informants from different ministries and agencies such a mentality is not only widespread but inevitable. These institutions do not refer to

each other -for instance, the sectoral laws of forestry, agrarian, and plantation will likely overlap with each other since all three are mainly land-based sectors. To take the example of the policy of expanding palm oil plantation, this policy was made by the President in order to boost economic growth and national revenue from palm oil. In order to do so, the MoA needs open land, which is difficult to find except through clearing forest. That means the MoA has to deal with the MoF and other related institutions. This situation is similar when REDD+ project or climate-related activities are about to run into a certain area. Whenever conflict occurs, there is no agreement as to which authority should be referred to. Thus there is a need for an umbrella law that can provide a frame of reference for these laws. An Indonesian researcher of CIFOR suggested using the decentralisation law as an umbrella for these sectoral laws, since this law deals with multiple sectors. In the meantime, each sector tends to refer to its own sectoral law.

Some informants believe that MoF as a central government institution in charge of forestry has a strong legitimacy as well as a bargaining position in the national institutional arrangement, and thus it can play its significant role in addressing climate change, especially in front of other “competing” institutions. In terms of statutory standing, the Law on Forestry has sealed and secured this power and authority of MoF over forestry. The tasks distributed in the NAP GHG have clearly shown how significant the contribution MoF can be in the effort of reducing carbon emissions.

A senior researcher in the MoF stated that the ministry is in favour of the ideas of addressing climate change. The forestry sector could play its important role to cope with climate issue and thus has a strong position in that sense. Furthermore he told the researcher:

“Be careful, when I say that if we were smart, we know what we’ve got, and we know what we want, and we have learn from the world’s trend on the climate change issue, we have a strong position, so for instance we would like to give a try for a million US Dollar, alright I am going to protect my forest for it, and secure certain tons of carbon, that’s what we have, we have a strong bargaining power and clear contribution to reduce emission...” (a Senior Researcher of Puspijak, MoF, 2014, interview)

His belief is also echoed by his research colleague, who underlined that the authority of MoF over forestry sector cannot be replaced by other institutions. The role of the newly established REDD+ Managing Agency in dealing with deforestation would not take over things that already under MoF’s authority as stressed below:

“When it comes to climate change, MoF would likely to deal with REDD, in the mitigation, well yes in adaptation too, but more in REDD mitigation, because REDD has to do with deforestation and forest degradation, and that’s right under MoF authority...” (a Researcher of Puspijak, MoF, 2014, interview)

Other informants from ministries beyond the MoF also believed that the MoF is too strong to be removed or taken over, particularly by the newly established institutions, as this ministry has been in existence for a long time. In spite of the integrity issue and the historically weak capacity in forestry governance (see Barr et al., 2010, Dermawan et al., 2006), as a central authority in forestry sector, MoF’s position is well-respected and is most likely to be complied with by stakeholders and local governments compared to when it comes to the forestry sector.

Nonetheless, Stranas has never clarified the position that MoF should hold in the REDD+ scheme, or what roles exactly should be played by the MoF as a forestry authority in addressing climate change. This policy document noticeably underestimates the MoF in forestry sector, in particular deforestation and forest degradation problems. Therefore it does make sense for the MoF to ignore it.

The National Council on Climate Change (DNPI) was also intended to coordinate ministries. There were more expectations from public at the outset that the DNPI could play a major role in synergising these ministries and agencies. Unfortunately their activities are more based on projects and thus it increasingly becomes a competing actor to other institutions. Meanwhile the MoE tends to limit their role once the DNPI was established, though they hold their own sectoral law. They also don't want to get involved further in forestry sector, given that the MoF is in place. Some environmental NGOs, however, suggest that the MoE should expand its authority and coverage to the wider sectors, including the forestry sector.

This silo mentality has resulted in ineffectiveness in reporting systems. For example, the Planning Bureau of MoF were asked to make a forestry report in 11 different formats just because there were 11 different institutions asking for it. Similarly, REDD+ Secretariat in Bappenas, the UKP4 and the DKN, for instance, each require the MoF to make and submit to them a separate report on forestry development on a monthly basis.

This silo mentality occurs not only among ministries and agencies in forestry sector governance. There are several units which are in charge of addressing climate change based on their nature mandates. There are several working units from various echelon levels that are assigned to address climate change within their unit's original tasks.

The highest echelon of MoF that is assigned to deal with climate change is a staff expert. Although this position is considered high, it is actually equipped with only a small budget and limited resources since it is not a powerful part of MoF's structure.

The MoF through the Climate Change and Policy Research Centre (Puspijak) locates itself as a scientific institution which is in charge of preparing scientific authority in climate change within forestry sector. This unit can be seen as the highest echelon that is assigned

to address climate change within the MoF. However, since its basic function is to conduct research rather than to make and exercise policy, the unit cannot influence policy making directly. The most that this unit can achieve is to give scientific inputs and recommendations to other implementing units.

The Standardisation and Environment Centre (Pustanling), on the other hand, is an implementing unit that plays a role in making policy on certain aspects of climate change . The unit is responsible for four tasks i.e. monitoring and evaluation of climate change, climate change service and policy recommendation on climate change as mandated by Minister's decree 40 Year 2010. According to the Head of Climate Change Division of MoF, the aim of Pustanling is to improve forest governance and to mobilise all units addressing climate change in the sector. This would potentially include units from all echelons within MoF. The problem is that the echelon level (III) of the Climate Change Division of the Pustanling is not sufficient to influence and mobilise other units. . Therefore, the most significant role that the Pustanling, with its Climate Change Division, can play is to raise awareness about the importance of climate change within the forestry sector among all other units. In order to expand the awareness to local level, the unit also conducted facilitations of establishing WG as well as technical assistance for measuring forest carbon and monitoring its changes.

Another unit from a different general directorate called the BRPUK holds authority to issue permit to specifically carbon sequestration business at local level. The implementing unit is also an echelon III. Since this unit deals with external stakeholders rather than internal, the unit does not encounter the same problems as the Climate Change Division.

Other working units which do not hold any climate change mandates are encouraged to be aware of the climate agenda and to take the climate change issue into consideration whenever they plan, implement and execute their programmes.

Apart from the formal structure above, the MoF established the Climate Change Working Group (WG) which is, unfortunately, underresourced in terms of structure, capacity and budget. A member of this WG admitted such situation is not helpful to the effort of addressing climate change in the sector. The establishment of this WG within the MoF resembles the DNPI within climate change governance at national level. The WG was initially intended to respond to the climate change agenda quickly by avoiding the fragmentation of the existing formal structure and to carry on with the climate agenda programme without disturbing the on-going activities and budget expenditure. However, having such scarcity of resources, the WG was mainly funded by international donors such KfW, GIZ, Japan, and the World Bank, based on approval from the MoFi and the MoFA. This makes the WG more like a project detached from the MoF's main programmes.

6.3 Vertical and Horizontal Organisational Arrangement

This section discusses organisational arrangements in forestry governance that involves not only the MoF, but other land-based sector ministries and agencies in relation to addressing climate change agenda. The section starts with the analysis of the type of government affairs that is recognised by the law and regulations, which is then followed by respective analysis of vertical and horizontal arrangement of forestry sector addressing climate change.

6.3.1 Type of Government Affairs

In order to set up and arrange organisations, particularly at ministerial level, the Government of Indonesia (GoI) needs to comply with certain rules and regulations. Based on the 1945 Constitution, there are at least 24 compulsory government functions which should be carried out by GoI (LAN, 2013) or approximately 46 functions when they are broken down into a more detailed list. This does not mean each of these functions should be taken literally to set up similar number of ministries to be in charge of respective functions. These recognised public functions are the basis for government to structure its central government organisations. Moreover, according to Law 39 Year 2008 on State Ministry, articles 4-5, these affairs can be categorised into three different tiers, i.e.:

1. Those that are clearly mandated and written in the 1945 Constitution i.e. foreign, home and defence matters.
2. Those whose coverage is mandated by the 1945 Constitution. There are 25 functions falling into this category e.g. religious, law, finance, security, education, health, mining, energy, public works, communication, agriculture, plantation, forestry, fishery, etc.
3. Those that are aimed to enhance, to coordinate and to synchronise government programmes e.g. national development planning, government apparatus, state secretariat, environment, state-owned enterprises, etc.

The first structures are among the essential functions performed by government, commonly known as the triumvirate. Each of these is normally assigned to a separate ministry, and thus there are always Ministry of Foreign Affairs, Home Affairs and Defence.

In addition, those in the second tier are considered the most essential functions to carry out in order to run the country. The arrangement of ministries in charge in the second tier highly depends on the President's own strategy. There might be adjustment, restructuring, merger, downsizing of those and so on. The first two groups are among the strongest ministries which normally consist of a large structure and huge resources. Most of them have hierarchical arm's length authority downward to provincial and regent/city governments.

The third one is the least important group of functions, giving government more flexible options as to whether or not they should establish a separate ministry or agency. Based on this categorisation, forestry affairs belong to the second tier, which consequently makes the ministry among the strong ministries from time to time. In addition, another ministry that is often strongly associated with forestry sector, in relation to the effort of addressing climate change is the Ministry of Environment which is categorised in the third group.

6.3.2 Vertical Arrangement Within the MoF

There are several institutions set up by government in order to carry out tasks related to forestry sector. The MoF is the portfolio ministry in charge of the forestry sector. This ministry was established by Law 41 Year 1999 on Forestry and certainly has legitimate power and authority to regulate forestry sector nationwide.

Before climate change was acknowledged by the forestry sector, the MoF had actually identified several "traditional" problems within the sector on which most informants put strong emphasis, such as deforestation and forest governance. There was no specific organisational structure set up to handle such issues. Instead all line units within

MoF were encouraged to perform their respective tasks in protecting and conserving forest as well as make the most of its production function. Meanwhile, individuals from relevant units are encouraged to build communication with each other and with relevant units.

Before climate change, indeed we worked on what has been mandated by law, [such as] to protect forest, including those related to forest zone, right, and after acknowledging this climate change [issue], forestry has role to play, which I think it is the biggest, if we look at the percentage, biggest percentage, when we look at what role [we should play], then that is the biggest one... REDD is the only track, what I mean is the track for mitigating... (Utami 2014, interview)

When it comes to climate change, the first impression expressed by some informants is to point to REDD+ related projects that are under way under several MoF's unit's control. For them, climate change within the forestry sector can be translated into REDD+ projects. This is because REDD+ is all about forestry sector. Since deforestation has been identified as one of the remaining unsolved problems in forestry sector, the REDD+ projects brings hope of averting such destruction.

Since REDD+ related issues have been mandated eventually to other institutions, MoF, at the same time, reorganised and transformed its structure into a more climate-friendly one, by recognising climate change as one of its official tasks, and even setting up dedicated organisational units under the heading of climate change.

Findings on how MoF arranged its organisation in responding to climate change have revealed that its organisational structure has changed over time. Such changes do not necessarily touch structure significantly, but rather reorganising position and tasks within and beyond structure.

6.3.2.1 Early Responses

In making policy, MoF is supported by stakeholder-based institution the National Council on Forestry (DKN) that was established in order to help MoF in making sectoral policy. This

council was established in order to accommodate forestry stakeholders' aspiration in forestry policy making. In relation to climate change, DKN is concerned with indigenous rights, in part those who live within and around the forest area (HuMa, 2011).

Aside from the DKN, as climate change was increasingly recognised in the sector, in 2007 MoF initiated a separate working group, the Indonesia Forest Climate Alliance (IFCA). This is to respond to the climate change issue and facilitate the involvement of Indonesia in international forums on climate change, particularly towards COP 13 in Bali. This initiative was partly funded by the World Bank, UK-DFID, German, and Australia, and aimed to facilitate synergy between stakeholders, business and civil society.

Currently, both institutions are influential in the forestry policy making and share similar interests in addressing climate change. While the DKN aims to increase participation of forest stakeholders in policymaking, the IFCA is targeted more specifically to handling the issue of climate change.

6.3.2.2 Ad-hoc Structures

Following COP 15 in Copenhagen, and based on Minister's Decree no SK. 624/Menhut-II/2010, 9 November 2010, MoF decided to establish a steering committee and working group (WG) on climate change. This working group was designated to prepare policies related to climate change in forestry sector for both national and international level. This is a shortcut policy made by MoF in order to be provide a swift response to the issue, as changing formal organisational structure is difficult to do in a short time.

In the lens of non [organisational] structure, actually we started it from the climate change working group, which is still present today, it was set up long before these two institution exist (Head of Planning Bureau, 2014, interview)

What is clear that MoF has set up a working group on climate change..., the momentum right after COP13, that's the logic, it is established to deal with the issue,

no wonder many activities conducted here are in line with the response to climate change, particularly REDD, we also do adaptation, so that our tasks are clear from the beginning (MoF Researcher, 2014, interview)

However, this is an ad hoc institution, meaning that it is not part of the official policymaking structure in the MoF. Consequently the group is unlikely to prevail when it encounters opposition from a formal structure.

In order to strengthen its position, the steering committee of the WG is chaired by General Secretary of MoF, who is the highest ranked official in the ministry, in order to ensure the power and resource supply to the work of the group. An expert staff on environment and climate change whose position is equal to echelon-I has the position of Executive Chair, while the rest of first echelon holders are the member of the WG. As for the WG itself, the head is, at the same time, held by expert staff on environment and climate change. To supply the WG with sufficient resources, the general secretary then issued decree number 183/II-KUM/2010, 16 November 2010, concerning the establishment of secretariat and members of MoF Climate Change Working Group.

Having these high ranked officials directly involved made the WG be seen as extremely important and treated equal to echelon-I unit. To enrich the capability of the group, MoF invites several parties, academicians, governments, private sector, NGOs, public figure and customary society making up of four sub WGs i.e. local strategy, methodology and institution, demonstration activities and society and Free Prior and Informed Consent (FPIC).

In terms of tasks assignment to the WG, according to informants, there is no significant additional task in principle, as there is no specific resource allocated to the group. This is one weakness of setting up non-formal structure as it would not be recognised by the

budget allocation system. The Planning Bureau of the MoF did not, and could not, propose additional budget allocation for the group.

However for the time being, the WG is partly donor-financed. There are currently 43 donor projects of aid and cooperation that are mostly concerned with the climate change issue, Donors include bi-laterals from Korea, Germany and Japan as well as multilaterals such as the,World Bank. The full details of such cooperation can be seen in appendix 7.

The establishment of the WG is an immediate response from MoF, by institutionalising the response through it. WG was the easiest choice to take in the short term, as setting up a new structure or working unit within the formal structure would take more time and be a complex process.

6.3.2.3 Changes in Organisational Structure

MoF has enlarged its organisational structure from time to time, to capture and accommodate the needs of its stakeholders. In 2010, in particular to respond to the climate change agenda, through Minister's Decree Number P.40/Menhut-II/2010 MoF formed three units within its organisational structure i.e. Expert staff on environment and climate change, Centre of Climate Change and Policy Studies (Puspijak), and Division of Climate Change under the Centre of Standardisation and Environment. The first unit is equally treated as echelon I, the highest level of organisational unit in a ministry. Unfortunately it is not equipped with sufficient resources e.g. human resources, programmes and finance. The second unit aims to develop climate change issue within forestry sector, but is limited to the research context. At the most, this centre can recommend or influence policymaking within ministry. Meanwhile the last one is officially mandated to deal with climate change issue in

a more practical manner. The only weakness of the unit is that it is echelon III, which is less powerful when it needs to communicate with other organisational units.

The obligation to give response to non-forestry issue like climate change would also encourage MoF to adjust its organisational structure into a more proper form.

For the purpose of analysis, the research compares formal organisational structure of MoF between the period of 2005-2009 and 2010-2014. Both structures were established under the same President. In between there were some events that marked climate change recognition by organisational and policymaking structure in Indonesia, especially the COP13, held in Bali in 2007.

If we compare and analyse both structures, we can see that there is no significant difference between the two. Indeed there is one additional box of echelon-I, which is in the earlier period, there were 12 first echelon units and the later one has one more unit. In general both structures serve similar functions. The number of expert staff is the same. The only differences are in the naming of the positions.

Table 21 Comparison of 2005-2009 and 2010-2014 MoF Organisational Structure

2005-2009 (Presidential Regulation No. 10/2005)	2010-2014 (Presidential Regulation No. 24/2010)
<ol style="list-style-type: none"> 1. General Secretary; 2. General Directorate of Forest Protection and Natural Conservation; 3. General Directorate of Land Rehabilitation and Social Forestry; 4. General Directorate of of Forestry Production; 5. General Inspectorate; 6. Board of Forestry Planology; 7. Board of Forestry Research and Development; 8. Expert staff <ol style="list-style-type: none"> a. Institutional Affairs b. Environment c. Forestry-related Trial Affairs 	<ol style="list-style-type: none"> 1. General Secretary; 2. General Directorate of Forestry Planology; 3. General Directorate of Watershed Management and Social Forestry; 4. General Directorate of Forest Protection and Natural Conservation; 5. General Directorate of Forestry Business Development; 6. General Inspectorate; 7. Board for Forestry Human Resource Counselling Development; 8. Board of Forestry Research and Development; 9. Expert staff of Forestry Industry Revitalisation;

2005-2009 (Presidential Regulation No. 10/2005)	2010-2014 (Presidential Regulation No. 24/2010)
<ul style="list-style-type: none"> d. Economy e. Partnership 	<ul style="list-style-type: none"> 10. Expert staff of Economy and International Trade; 11. Expert staff of Environment and Climate Change; 12. Expert staff of Inter-Institutional Relations; 13. Expert staff on Forestry Security.

Source: prepared by author

Thus, climate change appears to be officially recognised by the MoF’s organisational structure in the expert staff box. Expert staff on environment and climate change tasks were to provide considerable analysis on environmental issue and acceleration of reducing green house gas emissions from the forestry sector through mitigation, adaptation and technology transfer.

Even though the expert staff is seen equal to first echelon, this position is somewhat less powerful than its counterpart first echelon organisational unit. Apart from that, this still shows a strong recognition by MoF that addressing climate change is treated as an echelon-I work, meaning that climate change has an important position in the MoF’s structure and overall MoF’s tasks.

If we come closer to a more specific unit below echelon-I, particularly in the context of climate change response, there are some changes taking place in the structure, in at least two first echelon units, and enrichment of tasks assigned to the rest of first echelon unit.

Below is the comparison of MoF’s organisational structure that shows the noticeable change of the boxes. Figure 34 shows the earlier period of MoF, before the climate change issue was recognised in forestry sector. The term (and tasks) of (addressing) climate change does not appear in the previous formal structure.

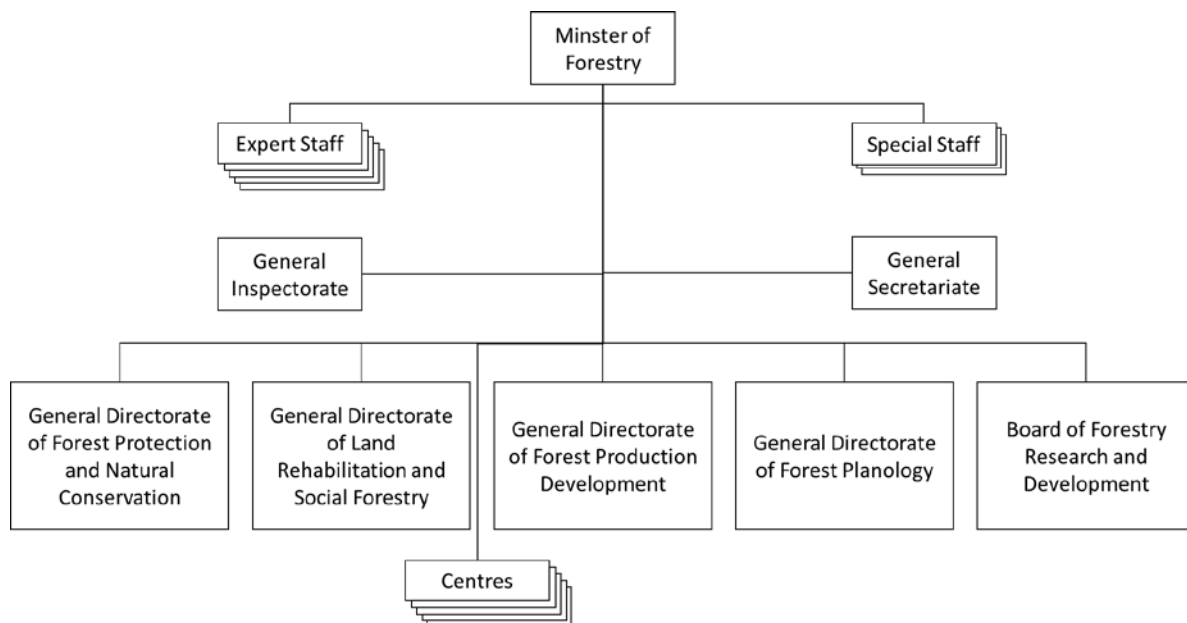


Figure 31 The 2005-2009 MoF Organisational Structure

Source: Minister's decree Number 40/Menhut-II/2010 concerning Organisation and Procedure of the MoF

Based on Minister's Decree Number: P.13/Menhut-II/2005 concerning the MoF Organisation and Working Procedure, the ministry organisational structure was changed into a structure that adopts climate change as part of the structure following:

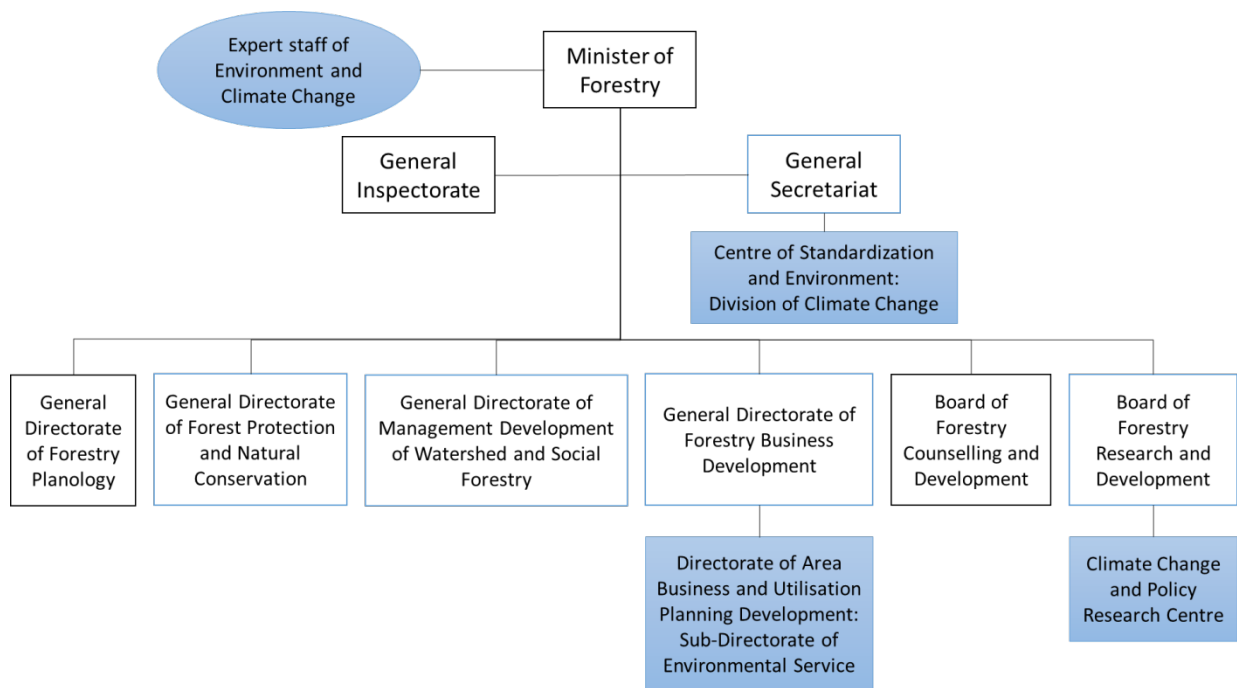


Figure 32 The 2010-2014 MoF Organisational Structure

Source: adapted from Minister’s decree Number 40/Menhut-II/2010 concerning Organisation and Procedure of the MoF

This formal organisational structure refers to formal policymaking and budgeting in relation to the conduct of MoF’s sectoral tasks. From this figure we can see the differences between the old structure and the newer one, that three first echelon units (blue coloured) were designed to include climate change-related tasks in their new structures. An expert staff on environment, as explained above, bear additional field of climate change. While the aforementioned i.e. the DKN, IFCA, the Steering Committee and Working Group on Climate Change do not appear in this formal arrangement. These units, except the DKN, are parts of disaggregation process from the formal organisational structure, in which to separate its specified climate change tasks from formal mandate of MoF.

In a detailed structure, these positions are unlikely to be as strong as they appear on the organisational structure. The General Secretariat (GS), for instance, is a powerful unit and very decisive in terms of resource allocation to the entire organisational units within

MoF. But GS is only a superior unit, while the one that is in charge of climate change under this GS, so-called Centre for Standardisation and Environment (Pustanling), is an echelon II unit, which means a second tier organisation, in terms of hierarchy. To be precise, it is under this unit, there is an echelon III, which is a lower tier, in charge of climate change, as can be seen below.

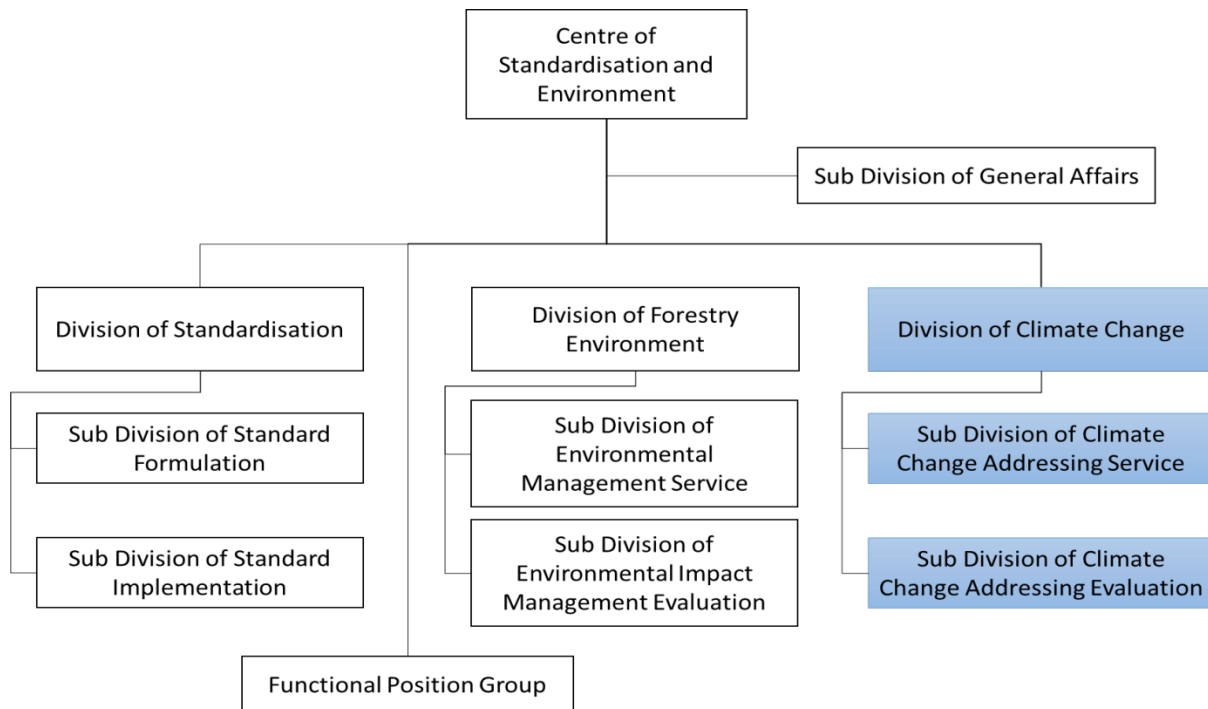


Figure 33 The Organisational Structure of Centre for Standardisation and Environment (Pustanling)

So the Standardisation and Environment Centre (Pustanling) is given new subordinate, named Division of Climate Change. The structure was officially established as a newly set-up unit to specifically deal with climate change issue. The official tasks of the centre, as mandated by minister's decree number P.40/Menhut-II/2010 concerning MoF Organisation and Working Procedure is to formulate material for standardisation, certification, management, and evaluation of environmental assessment, as well as

addressing climate change in forestry sector. Addressing climate change in forestry sector is the additional task that is written down in the official decree of organisational structure.

According to some informants, the most immediate tasks facing the centre is to raise awareness among MoF's units, together with capacity building. These are actually typical tasks that units under general secretary commonly do, to serve and develop human resources capacity within MoF. Such capacity includes technical competencies like carbon measurement and change monitoring. The division has produced numerous workshops and capacity building activities since its inception, particularly designed for MoF employees from all levels.

Facilitation is to raise awareness, particularly on the issue of climate change [within MoF], and then capacity building on technical matters and on addressing climate change, for instance in several places we facilitated to create provincial working groups for climate change, meanwhile for developing technical capacity we conduct short courses on forest carbon measurement and change monitoring (Climate Change Division Head,, 2014, interview)

Based on interviews conducted, there are at least two reasons why climate change tasks are assigned to the general secretary. Firstly, it is aimed and targeted to reach internal employees, and put climate change in first place, before it reach external stakeholders. The General Secretary, as an echelon-I organisational unit, has the power and authority to allocate and distribute resources to units within MoF, and thus is very strategic and powerful in securing new policy ideas.

Secondly, there is likely to be a more personal factor, in that Mrs Masripatin, a high ranked official, who used to serve as a Secretary of Board of Research and Development, had been working on climate change within the forestry sector since the beginning, and then was promoted to head of the centre.

Pustanling has received the mandate [of addressing climate change], there's a new Minister's Decree that give additional task to this centre,... in the past it was addressed by all units, I was in litbang (R&D) that's because I and the head of litbang were the ones who developed our concept, so when pustanling was given this mandate, I was promoted here then. (Head of Centre 2014, interview)

Another organisational unit that has official mandate on climate change is the Centre of Research and Development of Climate Change and Policy (Puspijak), which operates under the Board of Forestry Research and Development. The organisational structure of this unit can be seen below.

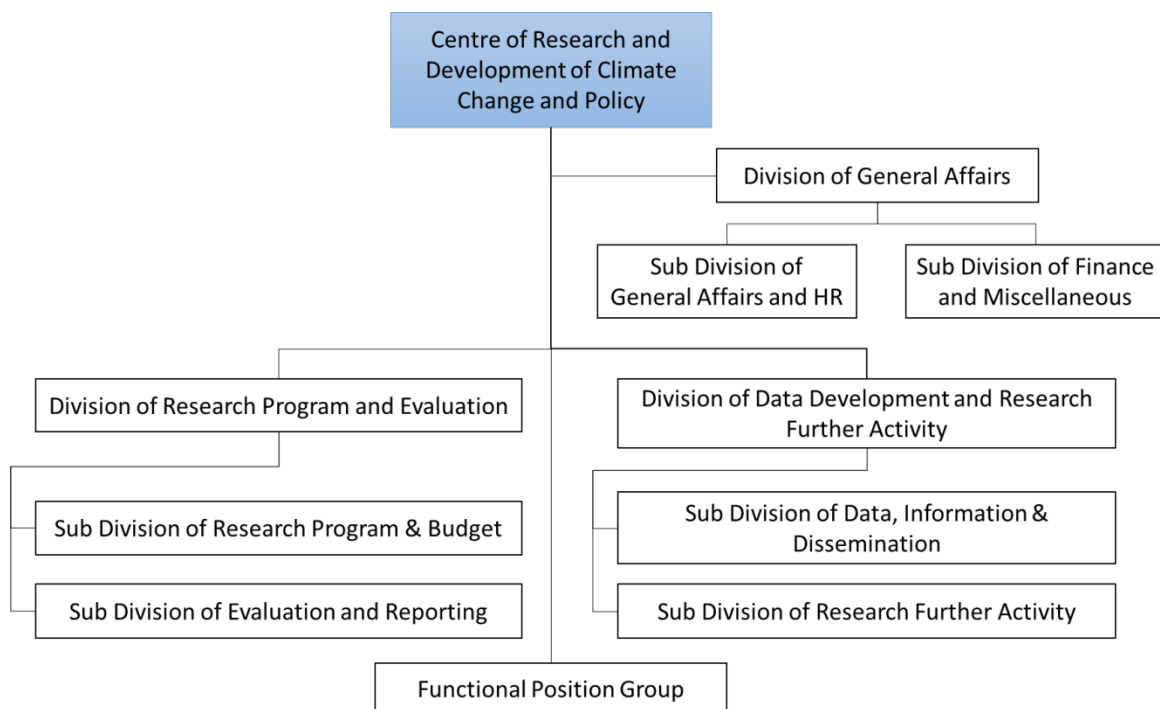


Figure 34 The Organisational Structure of Centre of Research and Development of Climate Change and Policy (Puspijak)

Basically the Puspijak prepares scientific authority on Monitoring, Reporting and Verification (MRV), demonstration activities, its application, and the capacity building in society. Along with Pustanling, Puspijak makes national standard, although the policy does not immediately create impact on the ground. For instance, when Puspijak supplies

information for monitoring system, so-called NFMS, they would share information with stakeholders, like the moratorium, and then Minister's Decree.

The Puspijak has designed its research in an integrated research master plan, so-called RPI, from 2010 until 2014, in which three research streams aimed to study economy and climate change, inventorying GHG development and social economy adaptation.

Both the Pustanling and the Puspijak work together in developing and promoting climate change issue within MoF. There are some differences between the two. The Pustanling, for instance, is an organisational unit under General Secretary, which its power and authority is limited and could not reach wider stakeholders. The Puspijak, on the other hand, is a research unit, whose capacity is to develop and study rather than make policy. In addition, in terms of echeloning process, The Pustanling (read: Division of Climate Change) holds lower echelon, meaning it is less powerful and has less resources compared to the Puspijak.

Well the Puspijak is bit different, because there is a kind of tasks distribution inside, like administration, planning part, information, and follow up functions, while here, these all functions are in my hand alone, ... [REDACTED].
(Head of Division 2014, interview)

According to one of its division head, there is also a gap in terms of organisational burden, where the Pustanling, awarded the lower echelon, is allocated more tasks. The Puspijak has more room to organise and exercise its activities since its organisational echelon level is higher than that of Pustanling.

This organisational echeloning problem has led to the discussion of upgrading echelon level of Division of Climate Change to higher one in the future. One of the boosts

that MoF can get is the recommendation given by the State Financial Audit Board (BPK), which suggested MoF in its report to set up a separate unit for addressing climate change.

Apart from the three climate change-related unit, other echelons also borne with climate change tasks without having changed their name. One of which is Forestry Business Development (BUK) which is in charge in the production domain. BUK also has a unit working for responding to climate change. Based on article 33 verse (1) of Government regulation Number 6 year 2007 and Government Regulation number 3 Year 2008 concerning Forest Governance, Management Planning and Utilisation, it is said that one of the environmental services in production and protection forests is carbon sequestration and sink. This is then strengthened by further article 19 that gives the mandate to MoF for licensing on environmental service utilisation business.

Other echelon-I organisational units such as the DGs of Planology, Social Forestry and Consulting also play important roles in promoting climate change within and beyond MoF. The General Directorate of Planology, for instance, plays a significant role in designing and mapping forest nationwide. In fact, other institutions when dealing with land-based sectors should consult this unit in advance. The central role of Planology is to ensure forest planning for conservation, production and other purposes is abided with by all stakeholders.

Not to mention the role of Planning Bureau of MoF is central in designing and allocating resources to all units within MoF, including most important is to approve (through General Secretary) any particular cooperation, donors and project-based activities funded by others. Without such approval, none of the MoF units can do cooperation with others or receive any funds, no matter how important they are. Final decisions on climate change-related projects within MoF are mainly made and taken by Planning Bureau. Climate change-related units are no exception. The role of the Planning Bureau resembles that of

Bappenas at the national level. In brief, comparison of current organisational arrangement of MoF in responding climate change can be seen in the table below.

Table 22 Current Climate-related Working Units within the MoF

	Organisational Unit	Unit echelon level	Climate change-related tasks
1	Expert staff on Environment and Climate Change	Non-echelon (equal to echelon-I)	Giving policy advocacy to the minister regarding climate change
2	Centre of R & D of Climate Change and Policy	Echelon-II	Conducting research on climate change
3	Climate Change Division, of Pustanling	Echelon-III	Institutional capacity building, setting standard
4	Climate Change Working Group	Non-echelon	Coordinating climate change-related activities
5	Forestry Business Development	Echelon-I	Carbon business licensing
6	Planology General Directorate	Echelon-I	Forest utilisation and management planning
7	Planning Bureau	Echelon-II	Planning and coordinating all activities within ministry and allocating resources
8	The rest of MoF's organisational units	All echelons	Making the most of its respective tasks in favour of addressing climate change and achieving sustainable forest management

Source: prepared by author

Based on this arrangement, none of these is powerful in terms of organisational echelon or supplied by sufficient resources. This is indicated mainly by the first four units being directly related to addressing climate change. Meanwhile the General Directorate of Planology and Forestry Business Development are two echelon-I that are considerably powerful and fully resource-supplied to exercise their power and authority, but not specifically in the context of addressing climate change, rather to carry out their own traditional tasks.

In an extended structure which includes provincial and regent/city level, the role of central government agencies is still important. Based on the NAP GHG, there are two more ministries that are influential in this structure i.e. Coordinating Ministry of Economy and Ministry of Home Affairs. The latter ministry is involved in the structure because it deals with local governments. Each of tasks is distributed to respective ministries as follows.

Table 23 Climate Change-related Tasks Distribution in NAP GHG

No	Ministries/Agencies	Tasks
1	Coordinating Ministry of Economy	Coordinating the implementation of and monitoring of NAP GHG
		Reporting the implementation of NAP GHG to President
2	Ministry of National Development Planning	Coordinating research on NAP GHG, based on development planning need
		Reporting the result of research to Coordinating Ministry
		Formulating Regional Action Plan on GHG (RAP GHG) guidance, integrated into attempt to achieving national target of emission reduction
		Facilitating the formulation of RAP GHG, together with Home Affairs Ministry and Ministry of Environment
3	Ministry of Home Affairs	Facilitating the formulation of RAP GHG, together with Ministry of National Development Planning and Ministry of Environment
4	Ministry of Environment	Facilitating the formulation of RAP GHG, together with Ministry of National Development Planning and Ministry of Home Affairs
5	Other Ministries	Implementing RAP GHG and reporting it periodically

Source: prepared by author

Most of the organisational structure at regional level has not changed in favour of addressing climate change. The forestry service within provincial and regent/city government usually takes responsibility in making the most of its official tasks by also performing climate change tasks.

In order to cope with governance problem, the government set up the Forest Management Unit (FMU), which is aimed at governing local forests by local government and stakeholders. This is the smallest organisational unit set up by government that can directly reach and monitor forest at the first place. The FMU is expected to make the most of forest in its territory in terms of social and economic meanings as well as its sustainability.

6.3.2 Horizontal Arrangement Beyond the MoF

While vertical arrangement is within the sector, other actors beyond the ministry are inevitable and significant in taking part in forestry governance addressing climate change. This horizontal landscape of governance is indicated by a number of aspects like structural separation, managerial autonomy and accountability aspects. Each of these is discussed as follows.

6.3.2.1 Structural Separation

The formal arrangements of climate change related institutions at national level are actually led by the Presidential office through the enactment of the National Action Plan document. The most influential office in this arrangement was the so-called UKP4, which played an important role in establishing the REDD+ Managing Agency.

Unfortunately, again, Indonesia is not happy to establish ad-hoc institution, [although] in Law 41 Year 1999 where minister [of forestry] is, you know, in charge in [forestry], [suddenly] GoI established REDD agency, thus it is not the substance, but to set up new institution,.. [REDACTED]
(Forestry Director, Bappenas, 2014, interview)

Overall there are at least seven agencies connected one to another in an arrangement aimed to address climate change. The figure below shows the line of command and intersection among organisations.

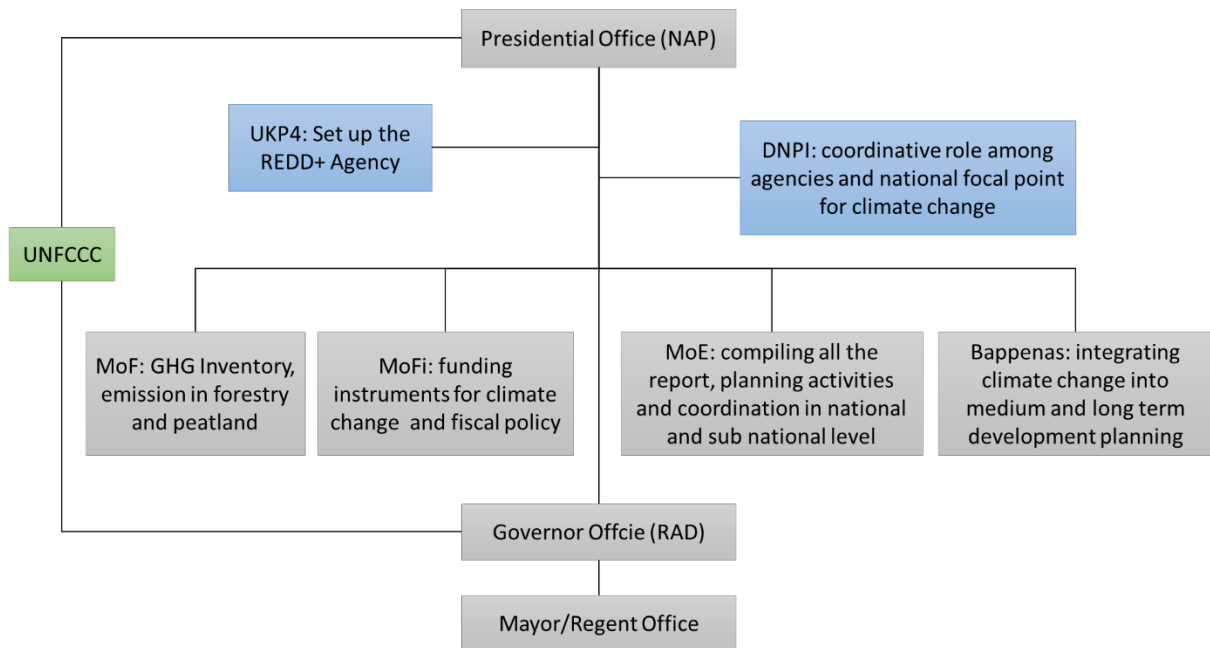


Figure 35 Institutional Arrangement Addressing Climate Change in Forestry Sector in Indonesia

Source: Bappenas, 2010

Although such formal arrangement has been made, the complexity of institutional setting has never been completely resolved, as voiced by a Director of Forestry and Water Resource Conservation of Bappenas who also act as a member of Indonesian delegation to UNFCCC:

“Climate change is such an interesting issue, it seems like there will be a bunch of resources flowing to us, everyone gets involved, UKP, then DNPI, Bappenas, MoE too, but when it is asked which institution is actually in charge in and responsible for [forest governance]? None, let’s say our emission suddenly increases, who should be responsible for that? Let’s say just like that, oo, it wasn’t me, meanwhile Minister of Forestry [will likely say] no way, it wasn’t me either, you did say, involve whatsoever... with such condition...” (Forestry Director of Bappenas, 2014, interview)

In addition, the Presidential office, through the President's Delivery Unit for Development Monitoring and Oversight (UKP4) also took a lead in managing climate change, one result of which was the establishment of REDD+ Agency by government. The REDD+ Managing

Agency was established based on Presidential Decree Number 62 Year 2013, right after the REDD+ task force finished its service. The idea of forming this agency was due to scepticism within existing institutions in managing REDD+ funds. This is actually an indicator of how GoI compromise donor agencies which did not want to make the most of existing structure like MoF to deal with deforestation issue. Although some internal informants, however, agreed that this would not affect MoF, as the statutory standing of the ministry is perceived stronger and higher than that of newly established institution. A law is by no means a match to presidential decree. Yet, in the context of deforestation and forest degradation, this REDD+ agency had consequently more opportunities than MoF to gain resources, things that became the pull factors in strengthening its institutional role.

From figure 36, it can be seen that the apex of the structure is the Presidential Office which controls the National Action Plan (NAP) prepared by Bappenas. A hierarchical structure shows Presidential office holding the utmost power to which all other institutions should report and be accountable. Two out of these institutions are directly linked to the forestry sector, while the other institutions' coverage extends to include sectors other than forestry. Hence, as forestry has been central to climate change policy in Indonesia, all six climate change-related institutions eventually deal with the forestry sector. Each institution is assigned with certain task that are apparently not conflicting with one another. In this case, the Presidential Office facilitates both vertical and horizontal arrangement as the ultimate leading office that should be obeyed by the ministries and agencies below it.

The forestry sector officially is, undoubtedly, mandated to MoF through Law 41 Year 1999. As discussed, the position of MoF as a portfolio ministry is strong and equipped with huge resources and structural capacity. In relation to addressing climate change, MoF has to conduct GHG inventory and deal with the reduction of emission from deforestation and

peatland. This requires MoF to work with other related ministries and agencies as illustrated above.

MoF's position itself equal to other ministries, nationally, for instance, when we, from Forestry, have so-called A/R CDM, whenever we do assessment or initiation on A/R CDM, we conduct coordination with DNPI, but for example RAN GRK, Perpres 61, when national government has issued National Action Plan, forestry sector is assigned 80% out of the total target, and then we break it down into activities, in which it is also translated into local action plan (RAD GRK) in local level, we facilitate discussion, and organisational units within MoF to take further actions based on their respective capacity and resources, so basically it's the same as other ministries, focus more on its sector... (Climate Change Sub Division Head, 2014, Interview)

Presidential decree number 61 year 2011 on NAP GHG distributes carbon emission reduction target to several ministries, one of which, and the largest one, is borne to MoF. It means that forestry sector is relatively more critical to deal with than others. Although this does not make MoF take a lead in mitigating climate change in forestry sector.

REDD+ Managing Agency, on the other hand, was also borne with forestry issue, in particular deforestation and forest degradation. Its tasks have become debatable topics among forest stakeholders, as it might create conflicting situation with MoF (see discussion in chapter 5). Hence, this agency was part of climate change configuration at the national level, particularly as part of the Norway's US\$ 1 billion deal³¹. The agency is likely to be less influential within the horizontal arrangement and thus less important for facilitating the entire structure due to few resources it has. The agency was actually established separate from the UKP4. Apart from the grant, both institutions share resources. Its establishment is an indicator of how government did not want to make the most of existing structure like MoF to deal with deforestation issue.

³¹ Later on, by the new government in 2015, this agency is swallowed by newly merged MoF and MoE

Other than REDD+, there is a similar and sometimes interchangeable term so-called the National Appropriate Mitigation Actions (NAMAs) which involve voluntary action for developing countries (COP13 Bali, paragraph 1(b)(ii)). Indonesia and other developing countries are urged to submit information regarding NAMAs to UNFCCC regularly. In the end, REDD+ and NAMAs actually deal with similar issue of deforestation in the context of forestry sector.

Meanwhile the National Council on Climate Change (DNPI) was originally established as an immediate response to COP 13 event hosted by Indonesia in 2007. It was set up through Presidential Regulation Number 46 Year 2008. This newly established council aimed to coordinate related ministries in addressing climate change. Chaired by the minister of MoE at that time, members of the DNPI are ministers from the NAP GHG listed ministries. Although structurally there is no direct hierarchical relationship between the DNPI and MoE, any resources required are provided by MoE, including its budget. Therefore MoE serves as its parent ministry. Yet the DNPI has less power in the arrangement but plays important role as one of the members in the horizontal arrangement.

Based on its statutory standing, the main tasks mandated to DNPI are formulating national policies, strategies, programmes and activities to control climate change and coordinating activities in controlling climate change including the activities of adaptation, mitigation, transfer of technology and funding. Further technical tasks defined as formulating mechanism and procedure for carbon trade, monitoring and evaluating the implementation of policies on control of climate change, and eventually strengthening the position of Indonesia to encourage developed countries to be more responsible for controlling climate change.

Although these assigned tasks are likely to overlap or take over some of other ministries' original tasks, the DNPI is actually a gathering forum with membership coming from several related-ministries, in which MoF is one of them. Moreover the DNPI is chaired directly by the President. However the DNPI is not equipped with official mandate to actually formulate policy, and thus it rather coordinates ministries in relation to address any kind of activities and programmes related to climate change issues.

Bappenas, on the other hand, enjoys a privileged status by taking a lead in making policy guidance that is obligatory for all ministries, including MoF, not to mention other ministries and agencies that have similar assignment in relation to climate change issue, like the National Council on Climate Change (DNPI), Ministry of Environment (MoE), Ministry of Public Works (MoPW) etc., Bappenas holds the strongest position in the horizontal arrangement, particularly in the context of the planning process.

This kind of situation confirms that competition among ministries and agencies is somehow taking place in the context of climate governance in Indonesia (see Resosudarmo, Ardiansyah et al. 2013). This is partly because climate change is a new policy issue that can attract new financial resources for such ministries and agencies from either domestic or international sources.

6.3.2.2 Managerial Autonomy

Among these institutions, the UKP4 as well as, consequently, the REDD+ Managing Agency are those with positions closest to the presidential office, particularly with Vice President, which means that these institutions are advantaged by this position. In addition, the UKP4 and REDD+ Managing Agency enjoy kind of privilege of coordinating and asking for

information from ministries, which make them superior. Any decision made by the presidential office would be part of the UKP4's advice.

In terms of management, the UKP4 and REDD+ Managing Agency shared nearly the same resources. Although the UKP4 was funded by government through Ministry of State Secretariat's budget, it had certain degree of autonomy to manage its own resources. Since its central functions are to conduct debottlenecking, fast research, and running a situation room where President make a quick and strategic decision, the UKP4 was in fact a small team with only 16 people in there. A Deputy of the UKP4 was also appointed to be a head of REDD+ Managing Agency. An informant from the office told researcher that there is no clear distinction between the two, whenever it came to perform its duties. Meanwhile REDD+ Managing Agency is partly funded by government, and it manages donor funds.

The DNPI, on the other hand, had a certain degree of autonomy in management. However, it was still quite difficult for the DNPI to perform its mission in full as it was only a recommending rather than a commanding institution.

Meanwhile, ministries such as MoF, MoFi, Bappenas and MoE could perform their own management affairs, as these are part of central government and cabinet ministries. They have respectively resources supplied and budget allocated by the GoI. They are long-established institutions, and thus enjoy a higher degree of managerial autonomy.

6.3.2.3 Accountability

The line of accountability was not very clear in this horizontal arrangement. The configuration of organisations was such that no single agency was assigned to act as lead or coordinator of these ministries. Both DNPI and REDD+ Agency, for instance, lacked the legal power and authority over these ministries to perform the control function.

While each ministry had a responsibility to perform its sectoral duties, in terms of reporting any climate change-related progress, all ministries should then give their reports to the DNPI, as it served as the national focal point. Meanwhile, the guideline for achieving NAP GHG is prepared by Bappenas. This made Bappenas a central institution in this arrangement.

Meanwhile, the partial weakening of the MoF position had resulted in an ambiguous situation. On the one hand, forestry authority had never been completely taken out from MoF, while on the other hand, the newly established institutions are not powerful enough to 'compete' with MoF. While MoF had struggled to define its own climate change-related forestry tasks, others found it difficult to enforce the development of forest policy strategy in addressing climate change like the REDD+ National Strategy by REDD+ Taskforce due to its weak legal position.

6.4 Agencification

This section discusses the agencification as the main approach used by government in organising tasks or addressing new issues at national level. The section starts by identifying where agencification can take place in the government organisation.

6.4.1 Typology of Gol's Organisation

The aforementioned basic functions are the basis for the President, as the head of government, to arrange the organization of administration. The President can configure his cabinet or ministerial organisations by (1) keeping the existing ministry, (2) merging two or more ministries, or (3) setting up new ministries or agencies that are needed.

According to LAN (2013), the establishment of any form of ministries or agencies depends on how significant the affair is and degree of required hierarchy. Similar to the categorisation of basic functions, this typology runs as a hierarchical model. A highly significant government matter with high hierarchical status needs a form of strong institution as in a portfolio ministry, while a less significant matter with low hierarchical status may be seen to need only a form of non-ministerial or 'non-structural' agency.

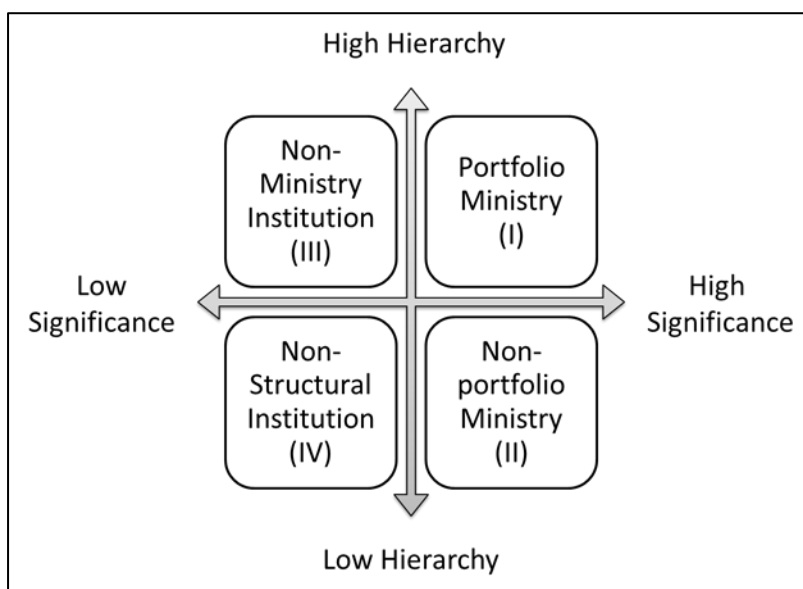


Figure 36 Gol's Organisational Typology

Source: prepared by author, modified from LAN (2013)

A portfolio ministry is normally established by a mandate on a relevant sectoral law and thus is normally characterised by a extensive structure and a substantial budget. Given its strong legal basis, this kind of ministry is among the most powerful institutions in its respective sector. Consequently it would not be easy for President and Parliament to abolish this type of ministry as they have to deal with the change of its sectoral law and constitution. Based on Portfolio, ministries are those that belong to the first and second tiers of government functions.

Meanwhile non-portfolio ministry is perceived as second rank ministry which is in charge of highly significant affairs with lower hierarchical status. Usually this type of ministry has a smaller budget and has lower hierarchical status. Non-portfolio ministries are normally in charge in the third tier of government affairs.

In relation to the establishment of the first two types of ministries, the President can establish at most 34 ministries as mandated by Law of State Ministry, article 15. Some of these ministries then act as parent organisations for extra agencies established by government. This means Gol can establish further organisations that take form of either non-ministerial or 'non-structural' organisations.

Non-ministerial institutions (LPNK) are central government agencies set up by President in order to carry out certain government tasks e.g. policy research, government apparatus training, library, nuclear and any other specified tasks. These institutions are part of central government agencies and are financed by Gol budget. The chairs are usually career officials from inside these or related institutions. Based on agencification categorisation from (Verhoest and Verschuere, 2002), this LPNK falls into type of either the core government (type 1) or legally independent bodies/agencies (type 2).

The least group, which is lower in status, is called non-structural institution (LNS). This kind of institution is established by Gol mostly driven by a growing demand from certain stakeholders, certain public or professions. These institutions are commonly set up as newly separated agencies from their traditional ministries (LAN, 2013). Having some degree of independence and autonomy, this group falls into type 2 and 3.

6.4.2 Where Do Agencification and Policy Integration occur in the Gol's Organisation?

Having discussed the type of government organisations above, as well as having reviewed agencification and quangocratisation in chapter 3, the study illustrates where both agencification (and quangocratisation) may take place in the structure of Gol organisations. The following model refers back to the figure 38 on the Gol's organisational typology discussed in the early part of this chapter.

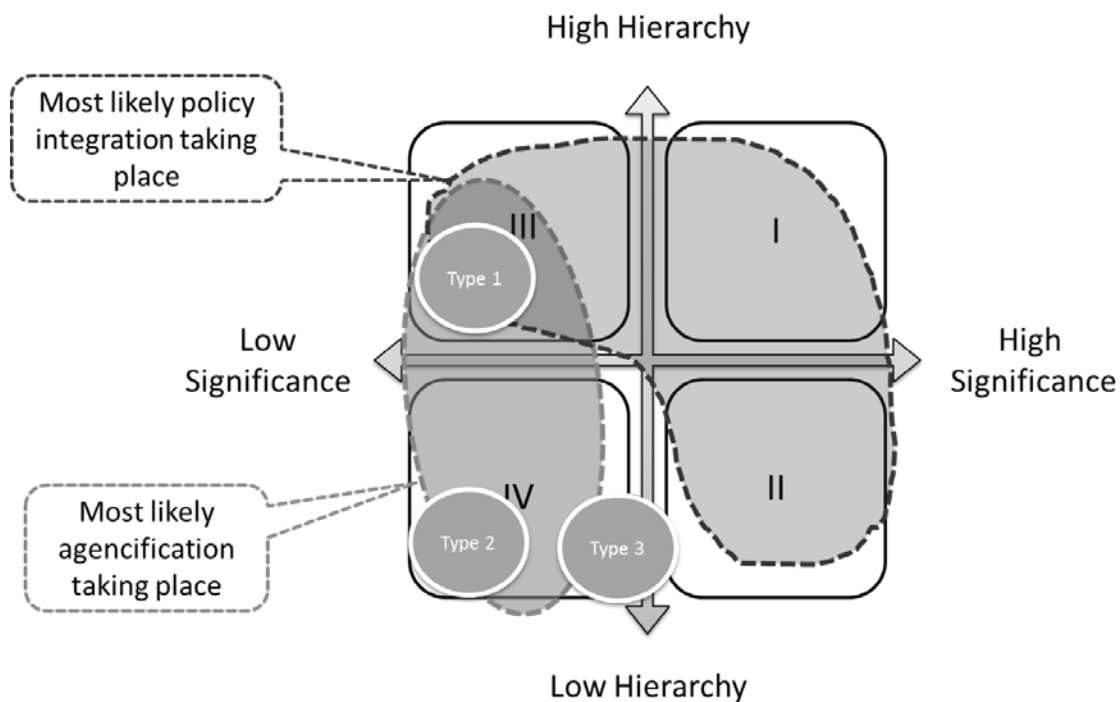


Figure 37 Model of Agencification in Gol Organisation

Source: prepared by the researcher

Since agencification refers to the creation of (semi-) autonomous agency, usually disaggregated from a parent ministry to perform separate and/or new function, granted with some degree of autonomy and independence (see Christensen and Lægreid, 2006, Verhoest and Verschuere, 2002, Wettenhall, 2005), the agency that is established by the government is normally in the form of non-ministerial form, and thus part of either type 1, 2 or 3 in the quadrant III and IV. However, we can also see that policy integration takes place

in wider area of government domain than agencification does. This is simply because policy integration includes most executive agencies while agencification does not. In other words, policy integration cannot be implemented in type IV, because those that belong to this quadrant are not part of policymaking institutions.

This kind of institutional separation was commonly practised by Gol, particularly during the Yudhoyono administration. Some of them take shape as LPNK (quadrant 3), others turn to LNS (quadrant 4) instead. The Corruption Eradication Commission (KPK), for instance, was set up by President Megawati, under the Law 30 Year 2002 on Corruption Eradication Commission, to conduct pre-investigations, investigations and prosecutions against corrupt acts. At the same time, the traditional parent institutions i.e. National Police and General Attorney, at the same time, still hold the similar authority and power against corrupt acts. Other well-known separated agencies, to name a few, are the Commission for the Supervision of Business Competition (KPPU), the General Election Commission (KPU) in 1999, and the Procurement Agency (LKPP) in 2007. Based on government record, there are 28 LPNKs and 88 LNS institutions set up until 2014³², when ten of the LNS institutions were abolished by the new government.

In relation to climate change governance, the 4-way table Organisational Typology shows the landscape of horizontal arrangement where various ministries and agencies get involved in addressing climate change. Those belonging to the first quadrant are the Ministry of Home Affairs, the Ministry of Foreign Affairs and the Ministry of Defence. In any circumstances, these three ministries cannot be abolished for any reasons. The second quadrant comprises ministries that carry out basic functions and services of the state which are stated and written in the constitution. This is where the MoF, the MoA, the MoPW, or

³² <http://www.menpan.go.id/daftar-kelembagaan-2>

the MoEM are situated. The third quadrant consists of ministries that have functions enhancing some national objectives and supportive-related tasks. The climate-related ministries that fall into the first three quadrants are parts of horizontal arrangement where policy integration takes place across different ministries.

The REDD+ Managing Agency and the DNPI fall into fourth quadrant, which makes them among the lowest group in the formal hierarchy. The REDD+ Managing Agency that was established in 2011 falls into type 3, as the agency is low in hierarchy, yet influential (significant) in policy making due to huge amount of resources that it has. While the DNPI most likely falls into the type 2 where the institution is the least both in hierarchy and influence. The horizontal arrangement among different ministries at the first three quadrants can include these two institutions because both are set up at national level.

Those in the fourth quadrant is a common response given by government in facing new challenges is to set up a new agency outside the existing organisation structure. This is partly understood because the existing organization tends to hold to its status quo and reject new ideas that may harm or reduce its power. Some other issues like corruption and integrity remain as particular reasons of why such existing organisations are excluded from new arrangement (Barr et al., 2010).

Instead of enriching the existing structure's tasks, government would rather create new structures that may eventually be competing against the old ones. This is what actually happened to the forestry sector, MoF, when the task of combatting deforestation in relation to climate change was assigned to a newly set-up institution, rather than being given to MoF.

6.5 Conclusion

To conclude this chapter, there are a number of contexts that influence the organisational arrangements in addressing climate change. Firstly the institutional context, wherein competition among ministries and silo mentality have increased due to the achievement of cross-cutting goals.

To summarise, the enabling points and challenges faced by these institutions can be seen in table 24 below.

Table 24 Comparison of Strengths and Challenges

No	Institutions	Strength points	Challenges
1	National Council on Climate Change (DNPI)	Clear coordinative role over ministries, National focal point of climate change	Less powerful institution, less resources
2	REDD+ Managing Agency	Autonomous and Independent, coordinative role, report to President through UKP4	Statutory standing, potential overlap, conflicting interest with MoF
3	Minister of Finance	Resources allocation	
4	Bappenas	Resources allocation	
5	Ministry of Environment (MoE)	Specialised in particular sector	Powerless, less resources, fragmented
6	Ministry of Forestry (MoF)	Specialised in particular sector, powerful in forestry sector, resourceful	Powerless in climate change arrangement, less resources, fragmented

Source: prepared by author

Agencification, in this case eventually resulted in a seemingly robust formation of the organisational arrangements in the forestry sector for addressing climate change, but at the same time, there has been some weakening of the legal status of some related agencies. The DNPI and REDD+ Managing Agency are clear evidence of a process of separation from the main ministries in performing separate functions. Yet remaining ministries were, to some extent, still performing similar tasks, particularly in the case of deforestation and any other forest-related priorities.

Lastly, there is a number of contribution of the chapter to overall thesis that can be noted as follows:

1. Institutional context, especially at national level, is significant in defining organisational arrangement of addressing climate change. Competition and silo mentality have been the major features of the arrangement.
2. The vertical arrangement within forestry sector has been a major part of the wider organisational arrangement. A number of organisational units under the MoF are included in the process of policy integration.
3. The horizontal arrangement regarding climate change was ambiguous – while distributing functions to different ministries and agencies, failed to give any a leading role. In practice this was to subvert the policy and allow practical power to accrue to the MoF and its sectoral agendas which were not fully congruent with the crosscutting climate change policy.
4. Agencification was not effective as the governmental traditional tended to reserve agency status for matters that has lower status and significance and there was legal or administrative mechanism for empowering agencies to take the lead from established ministries. The model of governance advanced for climate change was at variance with the established governance principles of the Government of Indonesia.

Chapter 7 Actor-related Enabling Factors and Constraints

7.1 Introduction

This chapter aims to identify and analyse the roles of actors in policy making and factors that enable and constrain the integration of climate change agenda into forestry sector. The chapter discusses how policy actors have influenced policy integration in the forestry sector. This includes a discussion of how champions and boundary spanners play their roles in policy making processes within governance context.

In addition, it analyses how these factors influence the policy integration process both in policymaking and the policy outputs. Such enabling factors and constraints are identified and derived from the analysis from the previous analysis chapters which have presented analysis of how policies in the forestry sector have been affected by the climate change agenda, as well as the degree of integration of climate change in policymaking structure, and the organisational arrangement within and beyond Ministry of Forestry (MoF) in relation to policy integration.

A number of topics emerged from the analysis in the previous two chapters that are relevant for this chapter. Key findings in Chapter 5 emphasise details ranging from political commitment to organisational arrangement within and beyond MoF. Another important finding suggests that the climate change agenda is seen as a policy issue that involves multiple sectors rather than a single sector. This means that the forestry sector is not the only one, although likely to be the main focus in the case of Indonesia, and thus involving other sectors which might be, for instance, stronger or more powerful in terms of authority is inevitable. Chapter 6 focuses on organisational aspects, in particular the agencification

process that was underway within MoF as well as changes in formal structure within MoF in relation to addressing the climate change agenda.

This chapter identifies and critiques enabling factors that enable policy integration as well as constraints that limit policy integration.

7.2 Champions and Boundary Spanners

This section sets out to understand the position and roles of champions and boundary spanners within the policy making process that encourage policy integration. The discussion includes the analysis of advantages and disadvantages of having champions and boundary spanning actors.

7.2.1 The Champions

Champions as defined in the literature chapter refers to individuals rather than institutions. Yet the analysis of findings, and based on observation, the championing role is played more by collective individuals as an organisational unit. There are few champions as individuals within the MoF. The Head of Pustanling (Standardisation and Environment Centre) and the Head of Puspajak (Climate Change and Policy Research Centre) are those advantaged by their formal roles in promoting climate change in the sector. Since officially they are mandated to carry out such tasks, the championing roles are also played by them. Most informants refer to both of them as the champions.

However, there are more champions beyond the MoF that exist and promote climate change agenda without any formal mandate on their shoulder. The campaigners of several environmental NGOs like AMAN and Huma, and also Greenpeace, are those who play championing roles very well. Each of them admitted that they have been working

complementarily, although there is no such arrangement that binds them together except the common mission of combatting climate change.

In terms of institutions that play championing roles as well, there are several working units within the MoF that are often referred by other units and individuals as exceptional units. The climate change-related tasks within the MoF are in fact distributed to several working units, ranging from highest echelon to the third level echelon working units. In principle, the task of monitoring climate change is assigned to the Pustanling, while the inventory of green-house gases (GHG) is conducted by the Directorate of Forest Resource Inventory and Monitoring. Other technical and supporting activities as well budget coordinator and performance report are under the Planning Bureau.

The Planning Bureau can be seen as one of the most decisive working units within the MoF that holds authority to determine resource allocation and planning of the rest of working units within the MoF. This is a crucial unit that plays its role as a gatekeeper who could either let or prohibit donors coming in. This central role in controlling what resources should be in and out has placed the Planning Bureau along with the Finance Bureau as the most significant resource allocator of the MoF. These two bureaus are under the General Secretary that hold authority in allocating and managing resources within the ministry. Clearly the two are powerful to influence the performance of the rest of working units.

Meanwhile, in order to raise awareness of climate change among stakeholders, the division of Climate Change of the Pustanling conducted several facilitation activities designed for local governments to support and encourage the establishment of climate change working group at local level. In addition, the unit also provides technical assistance for local government officials in relation to specific technical skills as parts of addressing climate change. Clearly the unit tries to make the most its official authority by expanding its

function in order to reach wider audience.

On the other hand the Puspijak placed itself as a research and scientific institution that carries out tasks related to developing scientific capacity of the MoF in addressing climate change in forestry sector. Given the level of echelon of the Puspijak, such level position has advantages as a higher rank unit which can manage its own resources to achieve its goals and objectives. However, although the centre has a legal standing to carry out any task related to climate change, it cannot make any direct policy on climate change as the aim of the unit is to conduct scientific activities and thus can only provide scientific advocacy rather than make coercive policy.

Looking at these differences in echelon level and resources between the two, the Climate Change Division of Pustanling has been making and executing policy on climate change, while the Puspijak owns expertise and scientific basis. Most informants agreed that the two units collaborated to work in synergy, in order to strengthen MoF's capacity in addressing climate change. Both units created initiatives to spread over the idea of addressing climate change within forestry sector to wider stakeholders in which some of them are project-based activities in conservation forest.

Having these activities underway, the two units serve as the champions by making efforts to promote the climate change agenda within and beyond the MoF, based on authority of the Pustanling and backed up by the expertise of the Puspijak.

7.2.2 Boundary Spanners

Unlike the champions where more institutions play major part, the boundary spanning roles are individuals within the MoF who play important role in engaging the issue across different organisations. Several heads of working units are considered influential in

connecting institutions within and beyond the MoF. The Climate Change WG, for instance, was established and supported by resourceful individuals by inviting only heads of working units to be members of the WG. Within the MoF, these individuals have capacity to mobilise resources and utilise budget in order to achieve the WG's goals and objectives. Noticeably this capability is attached to certain formal positions of MoF.

Apart from these influential individuals, some other individuals are seen as capable in engaging with multiple organisations both within and beyond the MoF, not because of his/her formal position, but rather because of their expertise and experience. The Head of Pustanling and the expert staff on climate change were among the few individuals mentioned repeatedly by informants regarding who should be referred to when talking about climate change in the forestry sector.

This recognition not necessarily comes from his/her subordinates, but from other working units and even from those beyond the MoF. One of the most notable efforts from the MoF was the establishment of IFCA towards COP13 in Bali. These individuals took part in initiating alliances by communicating and engaging with other institutions. In fact, when the idea of climate change agenda was introduced for the first time in the forestry sector, these individuals were among the first who secured the idea of addressing climate change within forestry sector.

In 2010 the MoF formalised the climate change tasks into its organisational structure through Minister Decree 40 Year 2010. The climate change related tasks are assigned in units where these influential individuals are posted. That is why a new division in charge of climate change was added to Pustanling where one of the influential individuals was promoted to lead the Pustanling.

The roles played by these individuals were also recognised by other informants from

beyond MoF. A member of the DNPI admitted that MoF has responded well to climate change, and the ministry is among the advanced institutions in addressing climate change, compared to other sectoral ministries. This is particularly because MoF through its agent has succeeded to include forestry as part of negotiation material.

7.3 Enabling Factors

This section identifies factors that enable policy integration take place in the policy making process, this includes political commitment, ownership and awareness, as well as budget and resources.

7.3.1 Political Commitment driving Climate Change-policy

The MoF would not be able to address climate change agenda within its sector unless there was a political-driven factor promoting the issue. One of which is the pledge of former President of Indonesia, Soesilo Bambang Yoedhoyono (SBY), in a speech to G20 leaders in Pittsburgh 2009, when he pledged that the Indonesian government was crafting a policy that would reduce carbon emissions by 26 percent by 2020 from business-as-usual levels and even could cut further by as much as 41 percent with international support.

The pledge was a strong political commitment on climate change that was signalled by the government to international community, and thus became a basis for all related sectoral ministries, including the MoF, to furthermore align their policy making in addressing climate change within the sector. This commitment was translated into domestic policy making by making climate change one of the prioritised programmes in the RPJMN.

7.3.2 Ownership

Since the political commitment was declared, climate change had been a widely accepted agenda by sectors. This is a global issue which nearly no single institutions and individuals won't recognise. Having such degree of awareness doesn't necessarily lead to equal level of ownership and further responsibility. The different roles between forest and peatland in climate change governance can be seen clearly in respective sectoral laws governing land-based sector. This also includes the dispute between ministry and agency in charge of certain sector. The head of REDD+ Taskforce strongly emphasised this by taking peatland as an example.

Peatland is a no man's area. Is it under Ministry of Forestry? Is it under Ministry of Agriculture? Is it under Environment? Now we have to define peatland as under the jurisdiction of a particular ministry, or maybe under the new REDD Agency that we are going to establish (Head of REDD+ Taskforce, REDD monitor interview, 2012).

Based on Law 41 Year 1999 on Forestry, forest land or forest area belongs to the state and adjudicated by the government (MoF). Most NGOs and customary society believe that MoF should respect so-called customary forest, which has been there long time before the state exist.

After going through a judicial review in the Supreme Court on such disputed definition, customary forest finally got a legal recognition, and MoF is required to proceed acknowledging customary rights over forest. However the problem remains unanswered due to complexity of institutions and working procedures, as well as legal completeness.

On the other hand, MoF also need to compromise with other ministries like Agriculture, Spatial Planning Agency as well as different laws and regulations in defining forest for the clarity of addressing climate change. A researcher from MoF has indicated that

the problem of the definition has not been completely resolved, as competing institutions and laws are still in place.

The problem is not in the organisation, in MoF itself there is a definition of forest, forest land, state forest, right forest, that's in the law, yes it is sometimes different from national, other institutions, other institutions would likely to refer to MoF when they talk about forest, but there are too many things not ideal, no wonder there was judicial review on Forestry law... from the process of adjudication, and customary forest... in the past there is agrarian law which is good enough to govern natural resources, but then sectoral laws are introduced and stipulated etc... these make agrarian law has no effect anymore" (a researcher of MoF, 2014)

Unless this definition dispute is resolved and compromised completely among related ministries, it is likely the problem of definition would be one of primary constraints for MoF in dealing with climate change issue. The forestry law will always be a major reference for those who want to define what forest is. The ownership of forestry is in MoF's hand with respect to other definitions from other sectors like mining, agriculture and so on.

7.3.3 Awareness

There are numerous enabling factors that promote and strengthen the idea of acknowledging climate change into forestry sector, one of which is raising awareness of protecting and preserving forest among elites, particularly during reform momentum (so-called reformasi) that took place in 1998s, as argued by ZM, a researcher in Puspikaj,

"...actually the awareness of [forest and environment] destruction has been there since reform era, like or dislike, it is point of return in natural resources management e.g. forest, mining, ocean etc.. hence the enactment of Law 41 Year 1999 [concerning Forestry] is aimed to tackle [not only] changes in politics, but also exploitative utilisation of forest resources... there was a policy, long time ago before the emission reduction from deforestation is acknowledged, called soft-landing, which promotes the decrease of allocated cutting tree in every year..." (ZM, 2014)

This is also agreed by the UN REDD+ Programme Manager who believe that MoF is strong enough in terms of awareness and negotiation aspect, as stated below:

“... in terms of awareness and negotiation aspects, we’re strong enough, this is [what we’re talking about] MoF, I have no idea what’s going on beyond this, I’m not in the capacity..., so technically we’re capable, and thus for sure in such negotiation, substantially we would support, that’s it, will give input based on what we have...”
(LB, UN REDD+ Programme Manager, 2014)

This awareness was important in promoting climate change within sector, as the idea is spread over elites in policymaking position and is acknowledged by incorporating the relevant ideas into policy priorities within ministry, as discussed in the beginning of this chapter. In lower level, such awareness is also in place that makes the idea of climate change easy to accept. The effort have been made to increase this awareness, said Novia Widyaningtyas, a Head of Climate Change Division, by communicating the idea through meetings, seminars, and annual stakeholder meetings for climate change dissemination. The result of COP is also distributed and socialised to local governments, universities, working groups, etc.

Awareness of the importance of keeping the forest sustained has been risen long before the climate change is acknowledged by forestry sector, as Mr. DJ mentioned about an MoF’s official namely Khairil Anwar who has been involved in the A/R CDM, or Afforestation/Reforestation as part of Clean Development Mechanism, despite only few of echelon I or technical organisational unit were engaged (DJ 2014, min.).

In terms of how the idea of climate change is spread over MoF decision makers and officials, the MoF Training Centre (Pusdiklat Kemenhut), in collaboration with other climate change-related units such as Climate Change and Policy Research and Development Centre (Puspajak), Standardisation and Environment Centre (Pustanling), Directorate of Forest

Resources Inventory and Monitoring (Direktorat Inventarisasi dan Pemantauan Sumber Daya Hutan), with the support of UN REDD since 2012 have provided training of enhancing capacity in Climate Change and REDD+ assigned particularly for forest officers, echelon IV, prominent local figures (*tokoh masyarakat*).

7.3.4 Closeness Between Forest Function and Climate Change Issues

This might be the strongest reason and enabling factors for why the forestry sector is able to cope with issue other than its own. Climate change, from the beginning, has been perceived and seen as non-conflicting issue with regard to forestry sector. What MoF has been doing so far like sustainable forest management, protecting and conserving forest, are actually in agreement with the idea of combatting climate change from deforestation.

In addition to that, the head of sub division of climate change service explains the original functions of forest that correspond to climate change which is:

“So we divided [the function of] forest into three groups, protection, conservation and production functions, cutting trees is allowed only in production forest, not in protected and conservation forest, because protection forest is aimed to protect water system, living buffer system, while conservation forest is meant to protect biodiversity, flora or unique fauna...” (RB, the head of sub division of climate change, 2014)

Meanwhile, Mr. Surya from Greenpeace emphasis the role that forest can play in climate change negotiation, since its function is significant in particularly mitigation.

“...In global level, forestry is the only issue that can create either good or bad image of Indonesia, because the function of forest itself, particularly in this era of climate change where its contribution is linked to climate disaster or climate mitigation” (Surya 2014, min.)

The Head of Data Development and Research Division of Puspijak believes that MoF’s position is strong enough down to local level as opposed to REDD+ Agency. MoF has

the so-called the Technical Implementation Unit at local level with its resources, and its relationship with local forest service. Thus any climate change activities at local level like carbon measurement, MRV, monitoring and evaluation, as well as reporting of carbon activities would not be a problem for MoF.

In order to resolve the dispute, the GD Planology on behalf of MoF issued a single map of changes in land and forest, as well as National Forest Inventory, which was later developed to so-called National Forest Monitoring System (NFMS). These are intended to be major references for stakeholders and authorities from other land-based sectors that are going to deal with forestry.

Indeed the closeness characteristics discussed above are the strong point that enables policy integration to take place in the policy making process. However, the recognition of potential conflicts between forest function and climate change goals are also unavoidable. Since the MoF is responsible not only for protecting forest from deforestation, destruction and any human-induced activities that are harmful to the forest, but also for producing economic goods and benefits from forest from activities like land conversion, industry, infrastructure and so on. These are inherently contradictory that the MoF and other ministries and agencies should deal with.

7.3.5 Budget and Resources

Not only strong in position, MoF is also perceived to have adequate institutional capacity and resources (including budget) in addressing climate change in its sectoral policy. As discussed before that MoF receives significant amount of budget from MoFi each year. The MoF also allocates its own budget specified for climate change-related activities and research. This is particularly because MoF newly set up two organisational units assigned

specific tasks on climate change i.e. the Centre for Standardisation and Environment (Pustanling) and the Centre for Climate Change and Policy R&D (Puspajak). This specific budget allocation in MoF prepared each year gives significant portion, as the Head of Planning Bureau of MoF said that:

“...in fact 60% of MoF money is spent for adaptation and mitigation, planology, of which 42% for rehabilitation and protection from forest fire, thus actually 60% of MoF budget is aimed to support climate change.” (The Head of Planning Bureau of MoF 2014, interview)

The similar proportion of climate change friendly budget allocation can also be seen and reflected at local level. This is particularly confirmed by a manager of forestry ecosystem from the National Park of Meru Betiri who explained that budget allocation in the National Park is mainly directed to protect the forest from illegal logging, as stated below:

“... among this three P’s (protection, conservation and production functions), protection is the biggest, because illegal logging In this area has never been completely resolved, so obvious, you can see in the back [of the office] there are lots of seized timber, if we take further action, at least P21...” (A Forestry Ecosystem Manager, 2014, interview)

While this surprising percentage mentioned needs to be checked and verified, from data that was collated and analysed, MoF did spend certain amount of its annual budget for climate change-related activities and researchs, and it increases steadily as can be shown in figure below.

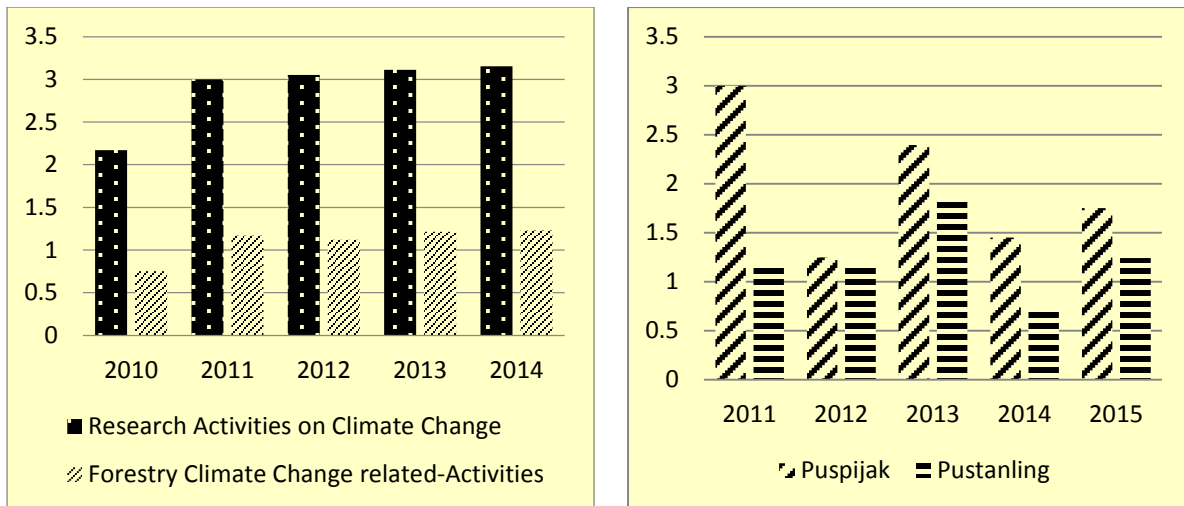


Figure 38 Climate Change-related Budget Allocation (in billion Rupiah)

Source: MoF (2010)

We can see from the graph from year to year that research activities receive more budget significantly than that of non-research activities. One particular reason because most climate change-related-research are under responsibility of an echelon II organisational unit i.e. a centre called Puspajak, whereas such activities are done in echelon III, lower level organisational unit below a centre level.

Despite the budget allocation, MoF has prepared itself with adequate technical infrastructure, as explained by the Sub Division Head of Climate Change Service, especially for monitoring system that developed

“...for monitoring, we also have what so-called National Forest Inventory (NFI), as a basis for carbon measurement and emission sources, and then this NFI is upgraded to so-called National Forest Monitoring System (NFMS), and this is a basis for MRV in forestry, since we have already 3000 permanent measured maps...” (The Head of Climate Change Service Sub Division of MoF, 2014)

Not only budget allocation and infrastructure, MoF is also seen capable to address climate change in its sectoral objectives, at least by an international researcher of CIFOR and official from Ministry of Bureaucracy and Reform who also stated similar belief about the strength of MoF in addressing climate change

“...the whole REDD thing is about the donor construction model to change, you put money in, and how the people react to money, Indonesia do not need money, it’s very different kind of, in my REDD budget is over 50% from donor money, but here is different context, I really struggle with change, and the country like Indonesia, ... and I think it’s quite problematic to the country that doesn’t need money” (CL, an International researcher of CIFOR, 2014).

“...they are capable to do it, but there’s other aspect that limits authority, it should be..., if we want to talk about it rationally, actually their budget is also sufficient, and they have managed that way, and there’s one more in 2010 we have [set up] a centre specialised in climate change,...right?” (YA, Institutional Affairs, Menpan, 2014)

This argument could be true when we look at the budget allocation and distribution, as discussed in the middle of this chapter. The amount of money managed by particularly MoF is quite enormous. There is no single indicator that the MoF needs more money to exercise its authority. Arguably, on the other hand, having a status of “developing country” makes the country be in the long and old perception of donors on what defines such status. The donors would always think in the opposite way, that the country does need the money from donors.

The MoF has equipped themselves with resources and infrastructures that allow them to address climate change issue adequately without ignoring completely their own mission to achieve their sectoral goals. Having such ample financial resource, MoF should have no problem with additional tasks of incorporating climate change agenda into its sectoral objectives.

7.4 Constraints

The section identifies factors that constrain or limit policy integration from happening. This includes discussion on integrity and accountability, capacity and resources and decentralisation impact.

7.4.1 Integrity and Accountability

The MoF has long been seen from its low credibility in managing fund, especially in the case of reforestation fund (Barr, 2010). The establishment of REDD+ Managing Agency is one of the reasons why the ministry was likely to be excluded in such arrangement. Several comments on the integrity of MoF were voiced mainly by outsiders.

“I think MoF has a problem, well, this is political, not only institutional, from the donor’s perspective, and this forestry has so many challenges, from the beginning has issues, particularly in forest governance which was not optimum, giving concession that much to big companies, right?, well if the forest institution (MoF) is given such tasks (of REDD+), there is neither guarantee from MoF to run well, nor (maybe) from REDD+ Managing Agency.. this is about which one is accepted by donors, that’s political thing...” (a researcher of CIFOR, 2014)

Clearly the informant doubts the credibility of the MoF in managing resources and in particular accepting newly introduced project of REDD+. The donors, according to her, prefer to give the projects to some other institutions that are free from such historical background. While another informant from Walhi believes that this could be rather part of bad attitude of individual within MoF who seek personal benefit from such arrangement.

“... he [MoF] tried to seek opportunity of project from outside, those global initiatives result in projects and these generate revenue, meaning that in terms of funding and whatsoever, that’s what they are seeking” (min.) ...in terms of responses on climate change that MoF has done, everything becomes project, then followed by the appearance of project desks, in the context of mitigation , it should be a continue activity because climate change is a continuing problem” (WALHI Advocacy Manager of Bio Region and Climate Change, 2014)

He emphasises two things in relation to this. Firstly about the free rider attitude of some officials within the MoF that use the issue for their personal interest, and secondly that any responses are shaped and formed in project-like activity rather than completely incorporating issue to sectoral policymaking.

In addition, a forest political campaigner from Greenpeace who were interviewed in

the different place also implied the same message regarding the problem of MoF's integrity. Although he questioned why such momentum of climate change and REDD+ cannot actually be used to improve forest governance instead. He, furthermore, would rather maximise the chance provided by REDD+ momentum to improve forest governance, as stated as follows:

“...donor countries do not want to give the money to MoF, but [I think] this is wrong, instead it could improve and reform forestry, rather than withdraw from it, what's happening now they left MoF behind and come to REDD+ Managing Agency (A forest political campaigner from Greenpeace, 2014)

Such hope is in fact in line with the question whether REDD+ could either bring improvement or threaten the forest governance in Indonesia (see Kanowski et al., 2011, Phelps et al., 2010).

7.4.2 Capacity and Resources

This constraint is also assumed by some informants as a strength or enabling factor rather than constraint. However, some distinct comments and facts shows this as contradictory. According to the UN REDD Programme Manager, one of the weakest point in MoF in relation to addressing climate change is the lack of legal drafter who can precisely translate the message into legal document, which may lead to misunderstanding of the policy document by outsiders. In other words, the capacity of legal drafter should be increased, otherwise policy would not be communicated well.

On the contrary, an international researcher of CIFOR believes that it is not concerned with legal drafting process, rather policy and regulations coming out from MoF are not clear to some stakeholders. This might be partly due to decentralisation and rescentralisation processes of forestry affairs between central and local governments.

Another constraint that is linked to MoF's capacity is the classic problem of coordination which was raised by two informants who serve as officials in climate change unit. For them the problem of coordination was part of consequences of being in lower level unit that makes them difficult to communicate and coordinate with higher organisational units.

7.4.3 Decentralisation and Post-Reform context

The context of decentralisation system underway in local government affects the way forestry is governed and how the sector has responded and addressed climate agenda. This is partly because the country, to some extent, employs a more centralised approach in managing its conservation forest and decentralised approach when it comes to natural and production forests.

7.4.3.1 Pre- and Post-Independence Era

Indonesia has a long history of implementing decentralisation system since its colonial time, when the country was still under the Dutch colonial government, which enacted its first decentralisation law in 1903 (Wollenberg et al., 2009). Soon after the Indonesian independence was declared in 1945, the newly established government continued to employ the decentralisation idea by enacting the Law 1 Year 1945 regulating regional administration, including establishing the local national committee and the Law 22 Year 1948 dividing government functions into three autonomous levels, i.e. the province, the district/municipality and the village.

In terms of forestry affairs, the Indonesian Forest Service (*Jawatan Kehutanan*), founded in late 1945, inherited the legacy of the Dutch colonial system, particularly in

structure and orientation (Barr, 2006). Since then, the post-independence state perpetuated many of fundamental laws and policies on forestry, mainly derived and replicated from the Dutch system, which divides the country into Java and outer islands. The main characteristic of forestry administration was conducted in centralised manner which gives government authority to control all land and forest that that could not be proven to be owned by individuals in particular Java island (Peluso, 1992, Barr, 2006).

The post-independence policy on forestry was made through a Government Regulation (GR) Number 64 Year 1957 which grants local governments the authority to issue logging permits for areas up to 10,000 ha in provincial level for a 20-year period and 5000 ha in district level for a 5-year period. This created parallel system where decentralisation and deconcentration were both applied at the same time. Under this regulation, provinces could also generate local government's revenue by extracting taxes and royalties from timber extraction activities within their jurisdiction. The first two decades after the independence also marked the coexistence of customary rights over forest along with formal arrangement, particularly in the outer islands.

This decentralised system was reverted to the centralised system through Presidential Decree Number 6 Year 1959. Ever since both systems were introduced alternately.

7.4.3.2 Pre-Reform Era

Pre-reform era marked the shift of centralisation to decentralisation paradigm in government. The shift of power from Soekarno to Soeharto in 1966, for instance, brought back the country adopting decentralisation by granting more authority to the local governments in exercising its power over forest in local context. The Law 5 Year 1974 on

regional administration and Law 5 Year 1959, for instance, have returned the country to a decentralised system, with different emphasis. However this law was not completely enforced and central government remained powerful over local governments.

This kind of democratic control of a natural resource gives opportunity to all stakeholders in taking part of forest governance, although at the same time, many local arrangements are fragile and in flux (Wollenberg, et. al. 2009). At this point, forest function was seen as economic resources for the country. There was no issue on or threats over the state of forest at that time.

Apart from international influences through donor and technical aid, changes in forestry sector is spurred by decentralisation and accompanying reforms, as well as local societies. The decentralisation creates opportunity to forest users and stakeholders to engage in a politics process and influence the policymaking itself. However, at the same time, decentralisation can create the fragmentation of the state, in which each of forest services within local governments and MoF in central government often act almost if the other down not exist. A milestones chart of the development of decentralisation in relation to forestry and climate change can be seen in Appendix 8.

Until 1999 forestry sector governance at local level had continuously been along the lines of the decentralisation and re-centralization policymaking at national level. MoF as a central government institution was always seen as a single authority on forestry affairs abide by local governments.

7.4.3.3 Post-Reform Era

Post-reform era shows a highly dynamic legislation activities in promoting decentralisation. When the Law 41 Year 1999 on Forestry was enacted along with the Law 22 Year 1999 on

new regional administration, this situation dramatically changed. Local governments started ignoring central government, particularly when it comes to ministerial-level policy. Government regulations issued by presidential office were the only central government.

This was particularly worsened by the MPR's decree on the hierarchy of law which doesn't recognise minister's decree as part of law hierarchy. Meanwhile, Law 22 Year 1999 gives stronger legitimacy to district leader in exercising policies at local level in the name of local interests, whether or not it is accordance with ministerial-level policies. In other words, ministers at central government were nearly ignored and MoF was no exception.

In 2004, the 1999 law on local government was amended, and the new law on local government number 34 was introduced. The basic idea is to clarify some debatable verses in the previous law. Decentralisation principle was, for instance, defined and extended to the principles of autonomy and assistance task. The new law also recognises the differences between Governor at province level with Mayor/Bupati/Walikota at district/city level. Such recognition was not done in the previous law. A decade later, the new law on local government (Law 23 Year 2014) was introduced to amend the 2004 law. The changes include detailed verses like the different authority between province and city/district, and clarification of relationship between central and local government.

The changes in local government law alone has been influencing the system of how central and local government exercise and address policy issues. Forestry sector is one of those affected by such changes. In relation to this, post-reform era featured with democratic values exercised by all level of government. Central – local government relationship has taken new shape where central government gain more authority back from

local government. The local government is divided clearly into the different roles between province and district.

7.5 Challenges Ahead

Having discussed the factors that could enable and promote policy integration as well as the constraints that could hinder climate change agenda, this section is aimed to understand the challenges that may arise in forest governance in the near future.

Majority of informants believed that addressing climate change within forestry sector can also be aimed to improve forest governance. Addressing climate change is regarded as a momentum to strengthen the position of MoF in the national forest governance. It brings good thing for MoF organisational structure and beyond, there are some challenges that have been identified as follow:

1. Agencification in national level has shown some problems, mainly linked to a weak statutory standing of the newly established agency. Parent ministry has always been stronger and in the position of not being subordinate to this new agency. This makes the new agency find itself difficult to perform its tasks well. Institutional barrier as resulted from statutory standing gap, for instance, makes parent ministry would go ahead with its own rather than work with this new agency.
2. While agency is defined as those funded by government, some agencies are in fact financed by shared-sources, combined with some from foreign donor. This will bring about further problem such as accountability and the sustainability of the agency itself.

3. Current echeloning model of organisational units in charge of addressing climate change are seen insufficient and less powerful in promoting climate change. Lower echelon limits resources allocated to the unit³³.
4. Lack of resources and capacity of ad hoc institution, particularly when working with its partnering echelon. The establishment of Climate change WG is just an example of a short-cut response of MoF without changing any existing organisational structure. Yet some challenges as explained above, remain unsolved.
5. Limitation on capacity, one of which is carbon measurement capacity that needs to be developed further. Certain capacity gap occurs between national and regional institutions, as admitted by informants. While most of institutions at national level are fully aware and equipped with sufficient knowledge of climate change, those at regional level are left behind.
6. Only few of emission reduction performance in MoF's activities can be measured. This is partly because not every single of activity has immediate impact on reducing carbon. The establishment of FMU, for instance, will help to improve forest governance, but not necessarily help decreasing carbon emission immediately.
7. Institutional and individual integrity, partly when it comes to the history of corruptive behaviour in the past.
8. Internal management issue, for instance coordination across units within MoF.

7.6 Expected Arrangement

There are two different views from informants and stakeholders regarding the future or expected organisational arrangement of MoF in relation to addressing climate change affairs.

³³ Recently the new administration has set up an echelon-I unit to be in charge in climate change within MoF.

The majority of informants suggested setting up a separate organisational unit within MoF in charge of addressing climate change. This unit should be officially recognised in the formal structure so the need of resources can be fulfilled sufficiently. This means these informants preferred new boxes within organisational structure allocated to climate change affairs only. The higher echelon they can hold the better position and power they can get. A recommendation from BPK would serve as a consideration to do so.

This particular view certainly prefers to have new organisational structure and tend to refer any needed changes by changing or moving boxes within organisational structure. This is partly because a separate and new structure will be able to secure more and reliable resources in carrying climate change tasks. However, setting up new structure is more difficult, as it affects many related institutions, such as Bappenas, Ministry of Finance, and House of Representative. Channelling and approving financial resources, for instance, needs certain organisational structure that is officially recognised by such institutions in advance. Consequently this would be very time consuming to solve such problems.

A slightly different view come from few informants who rather suggested to structuring MoF's organisation by changing the arrows within structure, meaning changing certain directions, instructions, commands, procedures and enriching tasks, instead of adding new boxes. This is as stated by an informant as follow:

We are now forming the draft [of organisational structure], so there will be [climate change] unit, which is not necessarily new box, but a new arrow or command chain, which brings new instruction, I think it will be like that, we already have Planology with its task on abc, BUK, we're complete in terms of boxes, what we need now is to renew the arrow's direction, new instructions, related to responding our 87% emission sequestration responsibility, GRK, including BUK plays its role there, so does Planology and PHKA (MoF & Climate Change Working Group member 2014, interview)

For the purpose of efficiency, changing procedures would be more feasible as it needs only minister's decree to do so. Meanwhile, changing structure would be more difficult as it has to go through legislation process, involving other institutions and politicians³⁴.

7.7 Conclusion

Institutional context has shown complexity of forestry governance, particularly at national level where several central government agencies are in charge of addressing similar climate agenda within forestry sector. Having numerous institutions engaging in the same agenda doesn't necessarily a bad thing. In fact, some believe that this would result in some advantages, like producing champion and role model through competition, raising awareness to wider audience and generating more resources.

Each of the ministries and agencies is backed up by its respective statutory standing which creates silo mentality. Consequently each of these tends to strengthen its position and expand its size, rather than synergy. Thus addressing climate change in forestry sector is affected by at least three groups of laws i.e general laws as the umbrella, sectoral laws mainly the land-based sectors, and climate change-related laws which include its respective subordinate regulations affecting each other at the same time.

Within the MoF, addressing climate change is also done by units that do not carry climate change name on its unit nor hold explicit climate change tasks. The General Directorate of Planology, for instance, through one of its subordinate working units to promote and encourage the establishment of REDD-oriented FMU at local level. Other

³⁴ When this analysis is being conducted, the organisational structure of MoF has changed as the ministry merged with Ministry of Environment into a single ministry under the new elected president.

working unit like GD PHKA also endorse Minister's decree number 20 Year 2010 concerning the implementation of forest carbon.

Budget and resources have been more enabling the process of integration rather than constraining it. Domestic-based resources are seen sufficient, but the international-sourced one is needed to promote awareness and politically to create more pressures on the government both MoF and local governments.

In relation to decentralisation policy, MoF and local governments have shared their authority on forest affairs. The Law 22 Year 1999 had given excessive opportunity to local governments battling each other to issue a number of permits with the aim of generating as much local revenue as possible, and consequently ignoring instructions from central government as well as forest conservation. The most recent law on decentralisation attempts to pull back this excessive situation by returning some of this authority back to central government. This situation creates opportunity to make forest policy addressing climate agenda uniformly abide by local governments. Climate policy integration, to some degree, has been benefited from this centralised pattern of policymaking.

Having these actor-related components in the making of policy integration, a number of advantages and disadvantages are discovered. First advantage would be innovation, champion and role model. As we know that competition promotes innovation and that is beneficial for finding the best way of integrating climate change. Accordingly large number of institution engaging in similar would not be counterproductive, instead it would lead to create champion and role model that can be emulated and scaled up by others. This three is, of course, the enabling factors that may accelerate policy integration.

Secondly, having these institutions working on the same agenda would, in fact, generate more resources and raise awareness among wider stakeholders. As the climate

agenda seemingly offers more resources to come in, many institutions contesting each other to address climate change. The more institutions attempt to gain such resources, the more resources could be generated eventually as well as wider audience can be informed and advised about policy integration. The more the merrier.

Having these advantages on one hand, such complexity presents disadvantages on the other hand. One of which is none of these institutions would have willingness to take any responsibility completely when failure occurred. Taking a lead might be an achievement for an institution, but taking full responsibility of any consequences might be not favoured by most of them. No one would like to be blamed for the increase of carbon emission.

Second disadvantage is due to the nature of bureaucracy, which tends to grow bigger across the time. Each of these ministries/agencies attempt to expand its structure and function in order to gain more resources that may not necessarily needed. This growing size of organisations may lead to inefficiency and ineffectiveness. The Assistant Deputy for Mitigation from Environmental Ministry agreed that the climate change cost has been increasingly expensive because of this.

Third one, even though this is called policy integration, this has not been put as one of policy priorities by government. Indeed the climate change has been proven scientifically, however economically and politically has been far from acceptance. A senior researcher of MoF believes that the climate change-related programme in forestry sector like REDD+ scheme has been politically supported by inner circle of President. That is why REDD+ has gained more popularity than climate change as a whole. In addition, the Head of Institutional affairs Deputy of Ministry of Bureaucratic Reform (Menpan) suggested developing a further political argument to convince parliament members both at national

and local levels the importance of addressing the issue. Consequently the agenda does not receive sufficient support in terms of finance, budget, and resources.

Lastly, there is uncertainty of future carbon trade as there is no agreement in what incentives should be prepared and there is no an agreed performance measurement being applied in order to support the carbon trade. This uncertainty affects institutional setting. The Head of Standardisation and Environment Centre admitted that they won't be able to achieve an ideal institutional configuration, because the real problem lies on lack of coordination, synergy between organisations, and leadership.

Chapter 8 Conclusion

8.1 Introduction

This chapter draws conclusions of the entire research work. Firstly, it discusses the results of the research on the Indonesian forestry sector policy-making in general, as well as policy integration and organisational responses of the MoF in particular. Secondly, it presents a number of reflections on the research questions, analytical framework and research design as well as on the limitations of the research. Thirdly, the original contributions of the research are set out. After explaining limitations of the research, the chapter highlights areas and directions for further possible research.

In addition, since the research was conducted during and towards the end of the SBY administration in 2014, the research focuses on the previous administration. The entrance of the new administration of Joko Widodo in October 2014 marked a number of dramatic changes in both political dynamic and national arrangement. It immediately delivered direct impacts on the on-going climate governance and response of government including how the forestry and land-based sector are governed. Therefore, reflections on such changes in relation to the findings of this research are presented.

8.2 Results of the Research

This section pulls together findings presented in Chapters 5, 6 and 7 to demonstrate how the research has addressed the research questions set out in Chapter 1. The first research question asks “How does a cross-cutting issue influence sectoral policy making?”, whilst the second research question asks more specifically “How has the Ministry of Forestry in

Indonesia responded to the climate change agenda and how has climate change policy affected forestry policy and policy-making?”. The section answers these questions by bringing together findings under six themes: compatibility and coherence of issues; political commitment; polity and institutional complexity; budgetary challenges; organisational arrangements and silos; and, enablers and constraints to policy integration. These themes are key findings that highlighted the way policy making process works in responding to a cross-cutting issue.

8.2.1 Compatibility and Coherence of Issues

Literature on policy making addresses the idea of policy coherence as opposed to policy conflict. Policy integration is about incorporating policy issues into sectoral policy making that is not necessarily similar to each other. The incoming cross-cutting issue that is imposed by law has forced the sector to make adjustments in their sectoral goal, one of which by making sectoral policy compatible and coherent with the cross-cutting issue.

From an examination of official reports, policy documents and other related sources, it is clear that the MoF and other central government ministries and agencies that are in charge of governing the forestry sector as a whole have been carrying out the predetermined sectoral mission at both national and local level that is in line with climate change as the cross-cutting issue. The ultimate goals of forestry governance have been directed to protecting the forest resources and making the most of economic values of the forest³⁵. Making a better plan on forestry development and protecting forest from any forms of destruction and degradation are undoubtedly consistent with climate change agenda. Two government regulations on forest planning (GR 44 Year 2004) and forest

³⁵ See the 2005-2009 and 2010-2014 Mid-term Planning (RPJMN)

protection (GR 45 Year 2004) have outlined and translated these goals into more detailed policy. These are followed by the issuance of a number of policies at ministerial level and local government level. From this point, the policy direction of the forestry sector has shown that its structure supports the efforts of addressing climate change, or at least contributes to the agenda of climate change in the sector.

The role of the forestry sector in addressing climate change has been acknowledged further by the enactment of Presidential Regulation Number 61 Year 2011 in the National Action Plan on GHG that invites the MoF, as the central government forest authority, to be part of national climate governance along with other ministries. This action plan guides the MoF to take certain tasks on improving forest governance at the local level by establishing the so-called Forest Management Unit (FMU), rehabilitating degraded forest, protecting forests and controlling forest fire, as well as undertaking forest protection and developing conservation areas. The term “carbon” is recognised officially as part of the MoF’s mandates in forestry governance. Forests are seen as carbon sinks and enabling sequestration and thus the MoF is assigned to protect and keep forest sustainable.

In the context of achieving sectoral objectives, the coherent ideas between sectoral and cross-cutting issues are the supporting factor of integrating policy. The idea of sustainable forest management (SFM) was believed by majority of informants to be consistent with the effort of addressing climate change in the sector. Defining sustainability in sectoral forestry objectives is in agreement with the means of addressing climate change. The MoF, therefore, may claim to continue its forestry policies and conduct its activities achieving its sectoral goals without having any clear conflicting issue with the climate change agenda.

Despite the compatibility and coherence of policy ideas discussed above, the research also recognised that forest has two contradictory functions i.e. conservation and production functions. The MoF is assigned to adjust and keep both functions at the same time. One of the climate change mitigation efforts in forestry sector can be done through the enhancement of forest conservation. Yet, forest is also seen as an important resources for development. Thus conflicting goals may occur in the end.

8.2.2 Political Commitment

Politics has a critical role to play in paving the way for government to exercise public policy (see Peters, 1987, Baumgartner and Leech, 1998, see Kettl, 2014). When politics is in favour of certain circumstances, then the administration is likely to proceed and translate this into policy and practice.

This applies to the case of addressing climate change in Indonesia, when the GoI has officially declared its support to climate change agenda by pledging reduction on carbon emission in Pittsburgh in 2009 and then renewed recently in Paris in 2015. This was seen as the political commitment at highest level from the country to the international community that become a basis for climate change agenda for entering domestic policy making. This was followed by the enactment of a number of laws and government regulations in favour with mainstreaming climate change in sectors.

Without such political commitment at international level, it would be unlikely the policy making process at domestic level to adopt and mainstream climate change agenda into sectoral work. This is the second influence on policy making from the presence of cross-cutting issue.

In some cases, politicians tend to avoid climate change, conservation or any other environmental issue. This is partly because such issues are not selling enough to gain voters. This kind of behaviour can be found at both national and local level. Thus, building political commitment is hard to achieve. Politicians need pull-factors to pay attention to the issues of climate change.

8.2.3 Polity and Institutional Complexity

In relation to complexity of polity and institutions, the ministry and other government agencies are bound by higher institutions that guide how policy should be made within sectors. The law number 12 Year 2011 concerning making rules outlines and guides government agencies in making rules. Any rules and regulations at ministerial level should be in accordance with the broader regulation. Regulating sectoral issues and addressing cross-cutting issues are part of national development policy design that is outlined in the mid-term development planning (RPJMN) and the long-term development planning (RPJP). The recognition of climate change agenda began by the enactment of Law Number 6 Year 1994 concerning the ratification of UNFCCC. This ratification law is the first legal basis for national development policy to address climate change across numerous sectors at national and local level.

However, when it comes to arrangements at national level where various ministries beyond the MoF are working on forestry governance, conflicting interests may arise between them. This is because forestry is seen as a land-based sector that may involve numerous institutions beyond the MoF. The ministry cannot govern forestry sector all alone, instead it should include other related institutions, especially the partnering ministries and agencies at central level to do so. The presence of numerous agencies in climate governance

has created competition between agencies and ministries. The MoF has to deal with many institutions in governing forestry sector. For example, in terms of national planning, the MoF has to comply with the Bappenas. When it comes to deforestation problem, the MoF should deal with the REDD+ managing agency. So do other institutions. Such arrangement clearly made policy integration of a cross-cutting issue much more difficult and multi-faceted.

A number of policies at national level and ministerial level have been enacted in accordance with the effort of addressing climate change. At national level, law on UNFCCC ratification is the evidence of climate change recognition by the state. Other sectoral laws are, to some extent, in agreement with the idea of addressing climate change. The GoI has also outlined the importance of addressing climate change by the issuance of the NAP GHG that force sectoral ministries to cope with climate change issue in respective sector, as well as a number of government regulation concerning climate change and forestry sector. The MoF also produced some important ministerial regulations like carbon development mechanism, REDD and carbon licensing.

This polity and institutional complexity can also be seen by understanding a number of sectoral laws that likely overlap each other. The hierarchy, structure and institutions are also parts of complexity that need to overcome if policy integration will be done.

8.2.4 Budgetary Challenges

The allocation of budgets also presents challenges in addressing climate change in the sector. Although forestry sector is known for its major contribution to carbon emission, the forestry sector does not necessarily receive a significant portion from the budget. Meanwhile some international-based funding has also taken a part in forestry sector addressing climate change. REDD+ funding mechanism conducted by the UN and other

institutions, for example, have been part of government's effort to deal with deforestation. The increasing REDD+ related fund from abroad has a particular effect on the attitude of policy makers in forestry sector. In addition, beside this particular budget allocation, in the past the MoF had been managing a reforestation fund of US\$ 5.8 billion since it was established in 1989. This financial governance in forestry sector was aimed at learning lessons from this reforestation fund.

Beyond the MoF, a number of other related-ministries that were assigned to address climate change receive considerable amount of budget. The Ministry of Public Works, for instance, receives much higher budget than any other ministries. The Agriculture Ministry is also allocated higher budget than the MoF. Thus, the challenges of budget beyond the MoF are not from domestic sources in particular. It is more about how to consolidate all budget allocation across ministries to support both mitigation and adaptation activities.

8.2.5 Organisational Arrangement and Silos

In terms of organisational arrangements, government had responded to cross-cutting issues by either establishing new institutions or distributing the task of addressing the issue to the existing ministries. In the early chapter it is discussed that the establishment of a sectoral ministry should comply with Law 39 Year 2008 on State Ministry. There are three graded groups recognised by the law. The first two tiers are among the strongest ministries and established based on certain sectoral law, and thus it would not be easy for government and parliament to abolish them. The least tier is the weaker one. Based on this categorisation, the MoF is labelled as a second tier ministry whose affairs of forestry sector are clearly instructed in the 1945 Constitution.

In relation to addressing climate change within the forestry sector, the GoI decided to distribute the climate-related tasks not only to the MoF as the national forest authority, but also to a separate arrangement that involves a number of institutions at both ministerial and non-ministerial forms. There are at least two other institutions that were assigned similar tasks on forestry sector as nearly as powerful as a ministerial level institution in dealing with climate change issue i.e. the REDD+ Agency and the National Council on Climate Change. In addition, the other related ministries exist that altogether are mandated by the national action plan made by government. This arrangement has created certain implications on the issues such as managerial autonomy, resources and line of accountability. The first issue deals with the way newly established organisations cope with coordination and communication with sectoral ministries. Secondly, a competition between institutions in obtaining resources is also problematic. This includes how organisational arrangements at central level should cope with silos mentality in which each ministry is trapped by its sectoral functions and internal identity. Finally, having more than one institution in forestry governance has made the line of accountability of each institution more complicated than ever before.

In response to such circumstances, the MoF reorganised its organisational structure to create more space and allow for the performance of climate-related tasks. The MoF assigned climate-related tasks to nearly all ranks of echelon. At the first echelon level, the position of expert staff on environment and climate change was appointed. Despite its lack of resources provided to the position and less power in policy making process, this recognition shows that the MoF has taken climate change agenda seriously at the most strategic level of organisation. Meanwhile the second echelon working units like the Climate Change and Policy Research Centre (Puspijak) and the Standardisation and Environment

Centre (Pustanling) carry out specific mandates on climate change-related tasks respectively. These two are equipped with better financial and human resources in supporting their organisational functions. In addition, the MoF also set up an ad hoc working group that is assigned to deal with specifically climate change issues in the forestry sector including REDD+.

Meanwhile, in the context of horizontal arrangement, the MoF took part in a number of activities that were coordinated by other ministries and agencies. In such arrangement, although the MoF is perceived as powerful, the ministry is not as strong as it looks. Other agencies were supported more strongly by the government. The establishment of the REDD+ Managing Agency, for instance, has shown that the MoF was not treated as the single authority of forestry in the country. The DNPI, although not as strong as the REDD+ Managing Agency, has also been an important actor at the international level for climate negotiation.

8.2.6 Enabling factors and Constraints

Lastly, the enabling factors and constraints for policy integration are defined such as political commitment, ownership and awareness, closeness of the issue, as well as financial and resources dimensions. Political commitment includes organisational arrangements, institutional context and competing agenda, ministries as silos as well as the roles of champions and boundary spanners.

On the other hand, the degree of ownership and awareness of the issue may encourage policy integration. Ministries and agencies which have certain degree of ownership and awareness of the issue may create chances for policy integration. The less

the ownership and the awareness they have, the smaller chances for policy integration they would make.

Meanwhile financial and resources dimensions embrace budget, institutional capacity and other related resources. Lastly the political and governance context comprises integrity and accountability of the related institutions and the ownership of and awareness of the issue, as well as decentralisation context that is happening at local level.

8.3 Reflections on the Research Work

Although the research employs a qualitative approach, the quantitative approach is also important for the research. It would give different and enriching insights of what is being researched such as showing trend of particular figure. However, the availability of relevant data was challenging. Some official sources were highly reliable, but others were not. The researcher often found data from foreign institutions were more reliable and reflect longer period of time.

In addition, designing semi-structured interviews based on the analytical framework at the beginning aimed to help the interview sessions in a more guided and directed manner. Yet discussing policy issues with policy actors could not be carried out in that way, and thus, often the discussions were more flowing when the interview was relatively loose from the predetermined structure.

In relation to such reflections, this section sets out further reflections on the analytical framework by stepping back from the results of the study and critically reflecting on the entire research, as it is an important requisite in all types of research, especially in the qualitative (see Finlay and Gough, 2008). This reflection is undertaken in order to provide objective insights on the research by the researcher.

8.3.1 Reflections on what works from the Framework

Climate change is undoubtedly a big issue that exists at multiple levels of governance and across sectors. Certainly it takes time to comprehend the issue as a whole. Due to this, the researcher faced a number of challenges in putting all components or factors to developing an appropriate framework. The researcher started to define research questions on the emergence of cross-cutting issues brought by international regime to effect domestic policy making. Climate change is certainly a global issue that sooner or later will, and it is happening now, be influencing and forcing policy making process at any level to respond adequately. This is clearly an inevitable policy issue that no country can escape from. There is no choice but to deal with it. Indonesia, for reasons as explained in chapter 2, is an example of how a country both as a cause of and victim should deal with the issue for not only in the short and middle term policy actions, but surely for the long-term.

The analytical framework that is used throughout the research is developed from three inter-related perspectives namely policy making process, structures and actors. The first perspective includes competition, diversity of interests and complexity of polity. The second one is strongly related to how government responds to cross-cutting issue through organisational arrangement that includes silos, horizontal/vertical arrangement and agencies. Lastly policy actors have their own role in promoting policy integration through their champions and boundary spanners, as well as political will and support.

Each of these components was developed and analysed throughout the research, but it was found that the three are inter-related in many ways. In the beginning the researcher started to put more emphasis on the policy making theories that have traditionally been discussed in policy making literature. It was expected to discover the essence of policy making process since the research interests is about policy integration. The

initial assumption of policy integration is that policy making theories, in general, should be the foundation of it. Of course, most of literature does not adequately address policy integration, from the very traditional rationalist view to incrementalism, elite dominance, institutionalism, and so on. Having these theories critically reviewed, the study arrived at three recurring themes that are strongly relevant to the discussion of policy integration as described in this section. One thing that is worth attention is the agenda setting perspective, where nearly all policy making processes are started and decided in this particular stage.

From the discussion of policy making processes, the researcher moved towards the discovery of the importance of organisational structure that influences and is influenced by the process of policy making. Ministries as silos, for example clearly shows this particular impact on policy making in two ways or reciprocal manner. In such condition, the ministries usually prioritise their own objectives, protect their budget and may have certain cultures and ways of doing things that are not conducive to responding to cross-cutting issues. The organisational arrangement that takes shapes of horizontal, vertical or combined approach results in the relationship between organisational structure and policy making process. In addition, agencification is seen as the main approach that was employed by the GoI in responding organisationally to such circumstances.

Lastly, the researcher discovered that the roles and interests of policy actors at any level are as important as the structure. Addressing cross-cutting issue can be done effectively within organisations when the interests and roles played by policy actors are in place. The roles of champions and boundary spanners have outlined how policy integration can be defined well in sectoral policy processes.

Having used this analytical framework throughout the study, the researcher determined the efficacy of the framework to show that it works. The more detailed practicalities from the framework can be described as follows:

1. The three recurring themes that are defined in the analytical framework help to localise the coverage of the research, since the policy making process is an extremely vast event in both time and scale. By saying 'localise', the researcher limited the research to focus on policy making processes that are driven and largely stimulated by these three recurring themes. The three themes are the main critical components of the theories that are able to address policy integration in the policy making context.
2. Organisational arrangement, one of the framework components, corresponds to the context and real situation on the ground, and thus works well. The current organisational approach employed by the country suggests that the government never leave this formal arrangement in responding to any circumstances.
3. Since the policy making in the country is highly influenced by political dynamics as well as international organisation, it is the framework that helps to provide guidance to the analysis of why such dynamic situation can take place.

8.3.2 Reflections on what is missing

However, at the same time, the difficulties started to emerge from the fieldwork when collecting data and defining the valuable findings to analysis phase of the research. The framework does not completely work as it is expected, since several things are missing. Such missing parts include:

1. Defining champions is somehow more subjective analysis of the researcher rather than objective perceptions from the interviewees. Not only there is neither official documentation nor mechanism of determining champions in place, but also the secondary data hardly tell who the champions really are. There is a number of standardised official reports on performance accountability (so-called *LAKIP*), yet the reports are not designed to tell the champions. This applies to the case of boundary spanners too.
2. The framework provides detailed guidance on how the research should be conducted. It may seem working well in suggesting the advantage of predetermined design of findings and analytical writing that are written down and divided into three parts i.e. policy making, organisational arrangement and factors that enable and constrain policy integration. However this situation is problematic because it would be bias and makes the results restrained by the design.
3. The other missing part of the framework that must be advantageous to the research is the recognition of governance level, especially at local level. Not only because decentralisation context is a massive coverage of governance itself, but also the research capacity and resources to obtain a deeper exploration is limited and constrained.

8.4 Contributions of the Thesis

The thesis has offered an extended knowledge on policy making perspectives regarding its inadequate attention to policy integration. It contributes to theoretical knowledge of policy making perspectives towards policy integration, as well as to empirical evidence on sectoral policy making and organisational arrangement in addressing cross-cutting issue in three

following ways: the framework that brings different perspectives connected each other, the expansion of the knowledge of policy integration wherein only few literature address it, including which structures facilitate policy integration, and the extension of a specific case of Indonesian forestry sector in responding to climate change agenda.

Areas of contribution made by the research can be categorised into area of policy making, policy integration and actor-related. The contributions can be identified from the framework

8.4.1 The Contributing Components to Policy Integration: The Framework

The three components proposed in this research namely policy making process, structure and actors make up the analytical framework that promote policy integration. The analytical framework that is used throughout the research illustrates how each perspective connected to each other with its contribution to the incorporating of policy issue (see Figure 21).

8.4.1.1 Policy Making Process Components

The first component of policy making process contributes to policy integration in a way that it stimulates competition between issues in winning policy agenda. Policy integration has a chance to happen when issues are allowed to contest each other. Diversity of interests in the same way allows for integration since numerous actors bring differing interests all at once. While policy system is a complex configuration that involves multiple level of governance and across multiple sectors, and this could contribute to policy integration.

In the policy making process, the research confirms that numerous issues compete with each other to win agenda setting. The essence of policy competition is that not all issues will be able to get onto a policy agenda as not all issues can be dealt with. The

competition is particularly prevalent during agenda-setting since there could be many issues competing for attention from policy makers, which may be pushed or held back by different interests. A perceived interesting issue can be prioritised in the policy making process at the expense of others. There is not always enough space to accommodate all issues, even between the same sectoral objectives.

8.4.1.2 Structure Perspective

The structure perspective including organisational arrangement, on the other hand, determine the success of policy integration through silos, vertical, horizontal or combined approaches, as well as agencification as an approach of setting up new agency in responding to cross-cutting issue. Such arrangement, based on the research findings, create both chances and barriers to policy integration.

Organisational arrangement in national and local level could be problematic when actors and interests are so diverse. Lack of coordination among agencies and silo mentality among horizontal context as well as decentralisation policy at vertical governance context could be potential issues when such policy integration is introduced.

Many parts and levels of government affect or are concerned with an issue, even if it looks as though an area should belong to one part of government. This should deal with the line of accountability. Policy integration brings about changes that affect directly or indirectly the existing structure of an organisation. While the responses could take shape in dramatic changes in organisation formation, merger or separation for example, such changes will affect the hierarchical line of accountability, when there is no clear guidance from the beginning. The study contributes an extended evidence of such problems.

8.4.1.3 Actors-related Component

Meanwhile, actor-related perspective corresponds to the way champions and boundary spanners contribute to policy integration. Regarding this, the research concludes two extended insights that particularly stand out.

1. Actors play their roles in problem stream, especially in recognising and defining problem as a policy problem. Regardless of the different way of looking at the issue, when all policy actors and stakeholders are aware of the issue, then it is likely easier to get onto the agenda. In this case, champions and boundary spanners are likely to be the key actors in raising the awareness.
2. The recognition of issues can be initially started by actors from the elite or powerful groups in the policy making process, regardless the issue has less urgency or differ from the interests of public at large. This is the advantages of political position that is legitimate to decide what should be taken in or out. Once the recognition is achieved, then, the process of policy making may go through public discussion that at the end of the day may alter the issue to be adjusted with the public interest. Policy windows, in this regard, are to create chances for the issue being put onto agenda, by making the most of political streams in advance.
3. The diversity of interests of actors also influences whether and how cross-cutting issues are responded to, depending on the power and interests of the actors and how the cross-cutting issues fit in with, support or challenge those. The study also put emphasise on the roles of champions and boundary spanners within policy making structure in securing policy issue onto policy agenda, and furthermore, scaling it up or integrating it into the process.

8.4.2 The Inter-related Perspectives

In addition, the research has discovered interconnectedness pattern between these contributing perspectives, apart from each of these perspectives contributes to policy integration respectively. For example, the process of policy making cannot be made unless the structure is in place and facilitate policy integration. While the structure is established, the roles of actors are as essential as the presence of the structure. Figure 41 presents the analytical framework that shows this interconnectedness.

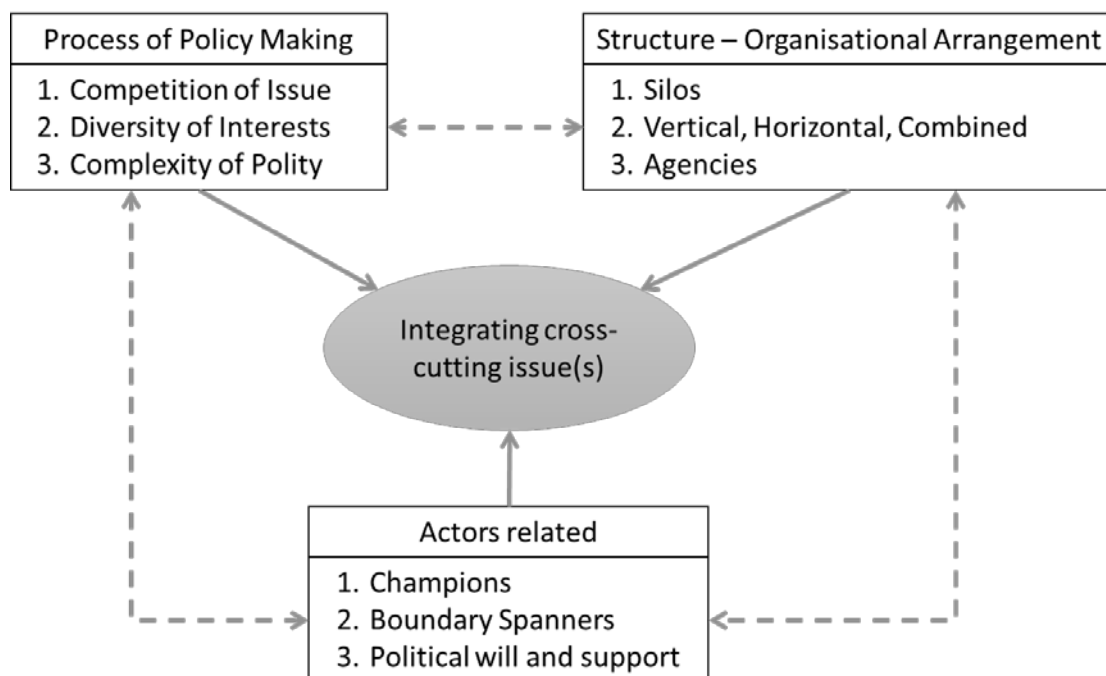


Figure 39 The Inter-related Perspectives Towards Policy Integration

Source: prepared by the researcher

This inter-related perspective shows two-way interdependent characteristics between perspectives. In a more detailed description, this interconnectedness can be described for example, as follows:

1. Competition of issue under the process of policy making perspective can happen when silo mentality appears. However, there will always be limited time and resources and thus not all issues can be addressed.
2. Competition of issue can take place both in horizontal manner between ministries, and to happen within vertical configuration. In horizontal manner, competition of issues resembles competition between agencies, vice versa, while within a sector, competition can be between sectoral goals with the cross-cutting issue.
3. Diversity of interests could lead to silos situation that can happen in any ministry when they are about to make policy or to arrange organisation.
4. Champions under the actors-related perspective come into being when there is a competition in place.
5. The process of policy making is all about polity complexity. Competition of issue, the diversity of interests and polity complexity are a place where political actors define political will to push or pull support.

8.4.3 Coherent ideas enabling Policy Integration

The research has shown that in the case when the sectoral issues are in line with the incoming cross-cutting issue, regardless of linearity of the process, the integration is likely to be easier to happen. When the cross-cutting issue is incorporated into sectoral objectives, without having to spend additional resources in the sector, rejection would be unlikely by internal policy actors, although the issues are treated in isolation.

In the case of there being a sharp distinction between the two, there is no win-win solution, this would end up with the trade-off situation. Sometimes the sectoral issue should be put in the first place, but there may be a time when domestic issue should be less

prioritised. There is always a trade-off between domestic issue and the cross-cutting issue. The trade-offs to be made given the limited time, resources and policy space available as sectoral objectives may be prioritised. Whenever competing issues are integrated within sector, the sector may be forced to incorporate several and different issues at the same time. This will lead to the following barriers: domestic resources which are likely to be limited must be spent on this newly integrated issues and the so-called mainstreaming overload could take place. Putting which issue in the first place may be the most difficult task to do.

8.5 Limitation of the Study

The research studied how policy making is addressing cross-cutting issues at ministerial level or central government and analysed and identified in what ways policy integration is practised at national level. Indeed, it has some implications to organisational arrangement both at national and local level. However, when it comes to local governments, we need, in detail, to study further on the impact of decentralisation policy, and thus related policies on decentralisation should be taken into account. At this point, the study did not fully cover the decentralisation issues.

Because of the constraints of time and resources, it is proposed for future research to study any further case that goes deeper by concentrating on specific level of policy making at the Ministry of Forestry to be interviewed, preferably from the top ranks of the organisation, and from managerial level whose are in charge in one of which: organisational, budget/financial, or specific REDD+ agenda-related projects. Therefore, the research does not elaborate all climate policy integration on forestry sector that includes forest-related stakeholders or forest governance as a whole.

The decentralisation policy is clearly the issue that should be taken into consideration, as local governments are in the stage of gaining more independent authorities over their regions. The autonomy rights on certain affairs granted by central government are obviously the practical problems that needs to be adjusted when such policy integration occur. In this case, the law of local government Number 32 Year 2004 and its following regulations also contribute to shape the forest-related organisational arrangement, particularly in local level. The most visible problem when it comes to arrange organisations in local level, as it has been regulated in State Ministry Regulation Number 57 Year 2007. Not to mention that some provinces own special autonomy rights—some different rights from “ordinary” autonomy rights, due to some political and historical reasons.

Given the time and resource constraints, the research was not able to obtain any deeper perspectives from local people during the data collection period. Nevertheless, the local perspective would be valuable in understanding how organisations at the practical level understands and implements policy integration and how the impacts are felt, particularly when dealing with stakeholders like forest-dependent people.

In addition, any environmental policy as a broader context of climate change issue is excluded from the research, as it may cover more actors from wide range institutions and it may have different patterns of integration and weight in national policy.

8.6 Future Research

Based on limitations described above, further research is needed, especially to portray the clearer differences between the previous administration of SBY and the current President Joko Widodo, although it needs to wait for some more time, to give the new administration

enough time to proof its functionality. At national level, political behaviour context is critical in policy making and thus worth attention in a separate work.

Since the research gives lessons on how cross-cutting issues are incorporated into sectoral policy making, future research can also employ experimental and comparative approaches in order to compare two different sets of scene and to seek a more effective and efficient integration in the sector. In addition to comparative study, an interviewee—a REDD programme manager in the MoF, suggested that the researcher could take a slightly different direction to the research that is to simply compare the official tasks of each institution that deals with forestry governance and addressing climate change, and identify the gaps and the overlapping functions. This could be another feasible future research to do.

Finally, research direction can be extended to the local level, to see how well the forestry policy is implemented, particularly after climate change issue was introduced. The organisational arrangement at the local level would also worth study to see any significant implication as a result from changes at the national level.

8.7 The New Administration: An Endnote

In 2014, a general election was held in order to elect new parliament members, followed by presidential election that results in new regime. The then president SBY could not run for another presidency after being an incumbent for two serving periods. As a result, new parliament was filled in by political rivals of the incumbent. Joko Widodo, popularly known as Jokowi, a presidential candidate from the winning political party also won the popular election.

The new regime that came into power in late 2014 indicates applying the contrasting approaches to the previous administration by merging, reintegrating and abolishing central government organisations. The issuance of the Presidential Decree Number 121/P/2014 on the establishment of ministries and Presidential Regulation Number 176 Year 2014 concerning the abolishment of 10 state institutions, have shown a strong indication of President Joko Widodo to decrease the number of (unnecessary and overlapping) government agencies into a more efficient number. The change of administration as a result of the general election in 2014 has clearly brought significant change in the GoI organisational structure.

The new administration immediately took several decisions related to organising central government, one of which to reorganise formation of ministry. The most drastic move taken by the President was to merge the MoF with the MoE into one single ministry. The newly established ministry is called the Ministry of Environment and Forestry (MoEF). This unification creates not only confusion among the stakeholders but also the difficulties in arranging tasks between the two, and particularly those related to climate change.

In addition, President Jokowi also abolished the other competing agencies like National Council on Climate Change (DNPI) and the REDD+ Managing Agency, the two non-structural institutions that were set up by his predecessor and then integrate the remaining functions of these two into the MoEF.

The counter arguments were voiced by forestry stakeholders, some of them come from a member of Commission IV of House of Representative (Jurnal Parlemen, 2014)³⁶ and

³⁶ <http://www.jurnalparlemen.com/view/8577/konsekuensi-kementerian-kehutanan-digabung-klh.html>

Walhi³⁷, an environment NGO, who both argued that the unification of the two ministries would create implications and potential conflict, as environmental problems are not only around the forestry sector, but involves other sectors like industry, maritime, agriculture, etc. Meanwhile, apart from the newly appointed minister who believes that both perspectives of environment and forestry are important, arguments in favour of unification are barely found (October 28, 2014 mongabay.com)³⁸.

These changes actually resulted in some challenges as well as opportunities, in particular to the effort of addressing climate change in forestry sector. In terms of overlapping tasks, the unification may create an integrated, coherent approach, as these tasks are under the same umbrella. The coordinative role of the REDD+ Managing Agency in combatting deforestation, for instance, can be taken over properly by the ministry.

³⁷ <http://www.nefosnews.com/post/lingkungan/walhi-tolak-rencana-presiden-jokowi-gabung-klh-dan-kehutanan-mengapa>

³⁸ <http://www.mongabay.co.id/2014/10/28/susun-struktur-kementerian-lh-dan-kehutanan-berikut-beberapa-usulan/>

Table 25 Climate Change-related Forestry Institutions under Joko Widodo Administration

No	Organisations/Agencies	Legal standing	Remarks/Current Status
1	The Forestry and Conservation of Water Resources Directorate	<ol style="list-style-type: none"> 1. Law No 25 Year 2004 concerning National Development Planning System 2. Presidential Regulation No 9 Year 2005 	Echelon II within Bappenas/Ministry of National Development Planning
2	The Centre of Climate Change and Multilateral Fund Policy	Presidential Regulation No 9 Year 2005	Echelon II within Ministry of Finance
3	The Inter-department Committee on Forestry	Presidential Decree No 80 Year 2000	Abolished by Presidential Regulation No 176 Year 2014 concerning Abolition of 10 Non-structural Institutions.
4	The DKN	Forestry Law No 41 Year 1999, Article 70	<ol style="list-style-type: none"> 1. Generating participation from society. 2. Memberships from various forestry stakeholders i.e. forestry professions, NGOs, society figures and observers.
5	State-owned Forestry Enterprise (Perum Perhutani)	<ol style="list-style-type: none"> 1. State-owned Enterprise Law No 19 Year 2003 2. Government Regulation No 45 Year 2005 concerning State-owned Enterprise 3. Government Regulation No 72 Year 2010 concerning Perum Perhutani 	<ol style="list-style-type: none"> 1. Managing state forest in Java island, in relation to forest productivity and business enhancement. 2. Including to carry out functions on forest governance and planning, rehabilitation, reclamation, protection and natural conservation 3. Conservation forest excluded, part of MoEF's authority.
6	The MoF	Law 41 Year 1999 on Forestry	<ol style="list-style-type: none"> 1. Merged into newly established Ministry of Environment and Forestry (MoEF), based on Presidential Regulation No 16 Year 2015 concerning MoEF. 2. Mainly carrying out tasks of previous MoF, MoE, REDD+ Managing Agency and DNPI
7	The MoE	<ol style="list-style-type: none"> 1. Law 39 Year 2008 on State Ministries 2. Presidential Regulation No 9 Year 2005 	
8	The REDD+ Managing Agency	Presidential Regulation No 62 Year 2013	
9	The DNPI	Presidential Regulation No 46 Year 2008	
10	The General Directorate of Climate Change	Presidential Regulation No 16 Year 2015	Blend of Deputy Environmental Destruction Control and Climate Change (of MoE), DNPI and REDD+ Managing Agency

Source: prepared by author

Nonetheless, the newly established ministry would face some other challenges. The roles of the Deputy Environmental Destruction Control and Climate Change (of the MoE) in addressing climate change can be shrunk to the forestry sector only, as other sector are beyond the MoEF's authority. The coordinative role of the DNPI in strengthening Indonesia's position in the international climate regime can also be undermined, since the MoEF represents only a single sector. Following table is a general comparison and summary of identified strength point and challenges of this new arrangement.

Table 26 Comparison of Forestry-related Organisations

No	Institutions	Strength points	Challenges
1	The DNPI	Clear coordinative role over ministries, National focal point of climate change	Less powerful institution, less resources
2	The REDD+ Managing Agency	Independent, resourceful, powerful position, report to President	Legal standing, potential overlap, conflicting interest with MoF
3	The MoE	Specialised,	Powerless, less resources, fragmented
4	The MoF	Specialised	Powerless, less resources, fragmented
5	The MoEF (The General Director of Climate Change)	Integrated approach, powerful	Less independent, more sectoral, rather than multi-sector coverage. It is not accordance with Norway's USD1 billion deal, more sectoral responsibility, and report to minister, rather than to President

Source: prepared by author

From this point, the new arrangement which denotes de-agencification may create more challenges rather than strength points. Indeed, integration in terms of organisational arrangement is made very clear. However, given the position of the ministry is a sectoral agency, it may shrink the multi-sector based climate change organisational arrangement. Other strong ministries like the MoPW and the MoA that are assigned to reduce carbon

emission by NAP GHG, for instance, would be likely to be reluctant to be subordinated under an equal ministry like the MoEF in the effort of climate change.

The most recent development in relation to national forestry governance is the establishment of Peatland Restoration Agency (Badan Restorasi Gambut/BRG). This agency is primarily aimed at tackling the destruction of peatland caused by forest fire. In addition, the MoEF as the forestry authority representative of central government has been defeated by a pulp and paper industry in US\$ 565 million lawsuits in Palembang District Court last December 2015³⁹. The forest fire itself has made the country suffer where the scale is extremely huge affecting the economy and environment of surrounding countries like Singapore, Malaysia and other neighbouring ASEAN countries. This is also strongly relevant to addressing climate change agenda where some experts believed that the fires have emitted more than 1.6 gigatons of carbon dioxide equivalent⁴⁰. This new development has shown that the current Gol has actually employed the similar approach of agencification, especially when the sectoral ministry is perceived unable to handle the issue.

³⁹ See

<http://nasional.kompas.com/read/2015/12/30/15592281/Gugat.Perusahaan.soal.Kebakaran.Hutan.Pemerintah.Kalah.di.Pengadilan>

⁴⁰ See more at: <http://www.thejakartapost.com/news/2016/01/21/challenges-await-peatland-agency-head.html#sthash.e5vX7ZgR.dpuf>

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Appendices

Appendix 1

KEY INFORMANT INTERVIEW GUIDANCE (1)

SEMI STRUCTURED INTERVIEW for MINISTRY OF FORESTRY (MoF) OFFICIALS

1. Personal Background

- a. Length of employment in current position and within ministry
- b. Educational background (the most recent one)
- c. Working background before taking current position e.g. past position
- d. Current tasks/roles of participant's position
- e. Tasks/Roles of organisational unit

2. Policy making

- a. Please describe how policy is made within the MoF, what structures are there for policy making in the MoF? Is it really made in this way?
- b. Are there any problems experienced in policy-making? If yes, please describe?
- c. Who is involved in policy making process from within MoF?
- d. Are there any actors or interest groups beyond MoF involved in policy making process? Who are they and why (if applicable)
- e. How do they involve in the policy making process? Are they invited?
- f. When do they engage in policy making process? From the beginning throughout the process, or only in some parts of policy making process?
- g. How do these actors interact? How often?
- h. Is there any actor that play dominant role over the others? How often?
- i. Are there any actors that work together or have very different views?

3. Integrating Climate Issue into Forest Policy Making

- a. When did climate change start influencing forestry policy?
- b. How does Indonesia climate change policy influence policy in the Ministry of Forestry?
- c. How does it happen in practice?
- d. Are there any government guidelines on how climate change should be integrated into sector policy?
- e. What helps climate change issues be integrated into forestry policy?
- f. What makes it difficult for forestry policy to take into account climate change policy?
- g. Are there any changes have been made to how policy is made in the Ministry because of climate change?
- h. How does MoF conduct communication and coordination among institutions at both national and local levels in responding changes from adapting climate issue?

- i. Who in MoF liaises with the climate and forest policy institutions (e.g. DNPI, REDD+ Agency, and Minister of Environment)? How, how often, what support or advice does MoF get from the Unit? What kind of information does the Unit ask for from the MoF?

4. Policy and Organisational Arrangements;

- a. What kind of major changes are underway in policy making processes during the integration of climate issue?
- b. Are there also changes in individual and organisational roles?
- c. How have individuals and the organisation adapted to such changes?
- d. (If applicable) how long did it take to adapt such changes? (time horizon)
- e. How have leadership and management within the MoF responded to such changes?
- f. How did the MoF plan for responding to climate change policy in its own policy-making?

5. Personal insight or knowledge of

- a. What are the key components of climate change policy in Indonesia?
- b. Do you have any particular idea on how climate-related forest policy should be made?
- c. What about policy implementation on the ground?

6. Personal insight or idea of future forest policy making

- a. Could you describe if there is a vision for forestry sector and policy? Is there any policy document for it?
- b. Should the MoF play more of a role in climate change policy?
- c. Is there more the MoF could do to respond to climate change in forestry policy?

KEY INFORMANT INTERVIEW GUIDANCE (2)

SEMI STRUCTURED INTERVIEW for PARTICIPANTS FROM INSTITUTIONS BEYOND MOF

1. Personal Background

- a. Length of employment in current position and within ministry
- b. Educational background (the most recent one)
- c. Working background before taking current position e.g. past position
- d. Current tasks/roles of participant's position
- e. Tasks/Roles of organisational unit

2. Involvement in Climate Integration and Forest policy

- a. Does your institution involve in (national or local) forest policy making process?
- b. Is your institution's involvement acknowledged officially?
- c. Please describe how your institution gets involved in forest policy making at both national and local level?
- d. What is your institution's role in such policy making?
- e. Are there any problems experienced during the involvement in the policy making process?
- f. Does your institution have any particular legitimate authority to make certain policy on forestry sector?
- g. How does Indonesian climate policy influence policy of your institution?
- h. Which institution (or ministry), do you think, that takes a lead in climate-related forest policy making? Is it the proper institution for dealing with forestry policy making?
- i. How does your institution interact with this leading institution (if applicable) and the rest of involved institutions?
- j. Are there any government guidelines on how climate change should be integrated into sector policy?
- k. What helps climate change issues be integrated into forestry policy in your institution?
- l. What makes it difficult for forestry policy to take into account climate change policy?
- m. Does your institution liaise with MoF in accordance with climate-related forest policy making? How, how often, what support or advice does your institution get from MoF? What kind of information do they ask for from your institution?
- n. Apart from MoF, which of these climate and forest policy institutions e.g. DNPI, REDD+ Agency, and Minister of Environment, etc., do you liaise with? How, how often, what support or advice does your institution get from these institutions? What kind of information do they ask for from your institution?

3. Internal Arrangements;

- a. What kind of major changes underway in your institution with regard to climate-related forest policy making processes?
- b. Are there also changes in individual and organisational roles?
- c. How have individuals and the organisation adapted to such changes?
- d. (If applicable) how long did it take to adapt such changes? (time horizon)
- e. How did your institution plan for responding to climate change policy in its own policy-making?

4. Personal insight or knowledge of

- a. What are the key components of climate change policy in Indonesia?
- b. Do you have any particular idea on how climate-related forest policy should be made?
- c. What about policy implementation on the ground?
- d. Could you describe if there is a vision for forestry sector and policy? Is there any policy document for it?
- e. Should MoF play more of a role in climate change policy?
- f. Is there more the MoF could do to respond to climate change in forestry policy?

KEY INFORMANT INTERVIEW GUIDANCE (3)

SEMI STRUCTURED INTERVIEW for LOCAL GOVERNMENT OFFICIALS

1. Personal Background

- a. Length of employment in current position and within ministry
- b. Educational background (the most recent one)
- c. Working background before taking current position e.g. past position
- d. Current tasks/roles of participant's position
- e. Tasks/Roles of organisational unit

2. Policy making in Local Level

- a. Please describe how policy is made within local government, what structures are there for policy making in local government? Is it really made in this way?
- b. How about the role/power of central institution over local government? Which central institution is dominant with regard to forestry policy implementation?
- c. Are there any problems experienced in policy-making and implementation in local level? If yes, please describe?
- d. Who is involved in local policy making and implementation from within your institutions?
- e. Are there any actors or interest groups beyond your institution involved in policy making and implementation? Who are they and why (if applicable)
- f. How do they involve in the policy making process? Are they invited?
- g. When do they engage in policy making and implementation? From the beginning throughout the implementation, or only in some parts of policy making and implementation?
- h. How do these actors interact? How often?
- i. Are there any actors that work together or have very different views?

3. Integrating Climate Issue into Forest Policy Making in Local Level

- a. When did climate change start influencing forestry policy in local level?
- b. How does Indonesia climate change policy influence policy in the local level?
- c. How does it happen in practice?
- d. Are there any central government guidelines on how climate change should be integrated into sector policy in local level?
- e. What helps climate change issues be integrated into forestry policy in local level?
- f. What makes it difficult for forestry policy in local level to take into account climate change policy?
- g. Are there any changes have been made to how policy is made in local government because of climate change?
- h. How does MoF conduct communication and coordination among local institutions in responding changes from adapting climate issue?

- i. Does your institution liaise with MoF in accordance with climate-related forest policy making? How, how often, what support or advice does your institution get from MoF? What kind of information do they ask for from your institution?
- j. Apart from MoF, which of these climate and forest policy institutions e.g. Minister of Home Affairs DNPI, REDD+ Agency, and Minister of Environment, etc., do you liaise with? How, how often, what support or advice does your institution get from these institutions? What kind of information do they ask for from your institution?

4. Policy and Organisational Arrangements;

- a. What kind of major changes underway in local policy making processes during the integration of climate issue?
- b. Are there also changes in individual and organisational roles?
- c. How have individuals and the organisation adapted to such changes?
- d. (If applicable) how long did it take to adapt such changes? (time horizon)
- e. How have leadership and management within local government responded to such changes?
- f. How did local government plan for responding to climate change policy in its own policy-making?

5. Personal insight or Idea

- a. What are the key components of climate change policy in Indonesia?
- b. Do you have any particular idea on how climate-related forest policy should be made?
- c. What about policy implementation on the ground?
- d. Could you describe if there is a vision for forestry sector and policy? Is there any policy document for it?
- e. Should the MoF play more of a role in climate change policy?
- f. Is there more the MoF could do to respond to climate change in forestry policy?

KEY INFORMANT INTERVIEW GUIDANCE (4)

SEMI STRUCTURED INTERVIEW for PARTICIPANTS FROM NGOs

1. Personal Background

- a. Length of employment in current position and within ministry
- b. Educational background (the most recent one)
- c. Working background before taking current position e.g. past position
- d. Current tasks/roles of participant's position
- e. Tasks/Roles of organisational unit

2. Involvement in Policy making

- a. Is your institution invited in (national or local) forest policy making process?
- b. Is your institution's involvement acknowledged in policy making structure?
- c. What is your institution's role in such policy making? What are NGOs' roles in policy making structure?
- d. What about the role of local people? Are they organised in a recognised organisation, for instance?
- e. How have national/local government empowered them to be involved in policy making and implementation on the ground?
- f. Are there any problems experienced in the policy making process?

3. Climate-related Forest policy

- a. Does your institution have any particular concern about forestry sector?
- b. How does Indonesian climate policy influence forest policy in local level?
- c. Which institution (or ministry), do you think, that takes a lead in climate-related forest policy making? Is it the proper institution for dealing with forestry policy making? How about in local level?
- d. Please describe how your institution gets involved in forest policy making at both national and local level?
- e. How does your institution interact with the leading institution (if applicable) and the rest of involved institutions?
- f. Which climate and forest policy institutions (e.g. MoF, DNPI, REDD+ Agency, and Minister of Environment) does your institution liaise with? How, how often, what support or advice does your institution get from this institution? What kind of information do they ask for from your institution?
- g. How did your institution plan for responding to climate change policy in its own policy-making?

4. Personal insight or idea of future forest policy making

- a. What are the key components of climate change policy in Indonesia?
- b. Do you have any particular idea on how climate-related forest policy should be made?
- c. Could you describe if there is a vision for forestry sector and policy? Is there any policy document for it?

- d. What about policy implementation on the ground by national/local government?
- e. Should the MoF play more of a role in climate change policy?
- f. Is there more the MoF could do to respond to climate change in forestry policy?

Appendix 2

LEMBAR INFORMASI PESERTA WAWANCARA

Key-Informant Information Sheet

Dalam wawancara ini Bapak/Ibu/Saudara akan menerima sejumlah pertanyaan terkait dengan topik penelitian yaitu ***Integrasi Kebijakan Iklim dalam Perumusan Kebijakan Kehutanan: Studi Kasus Penataan Kebijakan dan Organisasional Kementerian Kehutanan Republik Indonesia***. Tugas Bapak/Ibu/Saudara adalah memberikan jawaban yang menggambarkan kenyataan sesungguhnya sebaik-baiknya.

In this study, you will receive a number of questions raised by interviewer, related to the research title which is “Integrating Climate Policy into Forest Policy Making: A Case Study of Policy and Organisational Arrangements in the Forestry Ministry of Indonesia”. Your job is to answer them to the best of your ability.

Wawancara ini akan dilaksanakan selama 30 sampai 40 menit, bisa kurang atau lebih tergantung dari kebutuhan pengembangan wawancara itu sendiri.

The duration of interview will be approximately 30 to 40 minutes, and it may be either extended or reduced, depends on the actual need of the on-going discussion.

Selama wawancara, kami (peneliti/pewawancara) akan menulis catatan dan menggunakan alat perekam digital (audio dan/atau video), dengan seijin Bapak/Ibu/Saudara, untuk memastikan tidak ada data yang terlewatkan atau konteks pembicaraan yang hilang.

During the interview, I (researcher/interviewer) am going to take notes and use digital recorder (audio and/or video), based on your approval, to secure any potential loss of data or on-going discussion context.

Bapak/Ibu Saudara dapat mengundurkan diri, atau meminta istirahat sejenak selama sesi wawancara berlangsung.

You may leave the interview session, or request a break, at any time.

Wawancara ini dilaksanakan berdasarkan ketentuan dalam Petunjuk Dasar Etika Penelitian Universitas. Hak Bapak/ibu/Saudara sebagai pihak yang diwawancara termasuk hak untuk mengundurkan diri kapan saja, dijamin sepenuhnya.

This research is conducted in accordance with the University ethics guidelines. Your rights as a participant, including the right to withdraw at any pint without penalty, are ensured.

Penemuan dari studi ini dapat dipublikasikan dalam jurnal dan dipresentasikan di konferensi-konferensi internasional. Seluruh data temuan akan dan identitas peserta dianonimkan dan tidak dimungkinkan untuk ditelusuri lebih lanjut.

It is anticipated that the findings of the study will be written up for publication in a peer reviewed journal and presented at international conferences. All results will be anonymised and it will not be possible to identify individual participant's data.

Untuk pertanyaan lebih lanjut, silahkan menghubungi:

Any questions for further information please contact:

1. Dr. Fiona Nunan [REDACTED]
2. Dr. Adrian Campbell [REDACTED]

Jika Bapak/Ibu/Saudara berkenan untuk mengikuti sesi wawancara ini, mintalah Formulir Persetujuan Peserta kepada peneliti.

If you would like to participate in this interview, please ask the researcher for a consent form.

Appendix 3

FORMULIR PERSETUJUAN PESERTA

Participant Consent Form

NamaPeserta :
Name of participant
JudulPenelitian : **Integrasi Kebijakan Iklim dalam Perumusan Kebijakan
Kehutanan: Studi Kasus Penataan Kebijakan dan
Organisasional Kementerian Kehutanan Republik Indonesia**
Title of the project
*Integrating Climate Policy into Forest Policy Making: A Case
Study of Policy and Organisational Arrangements in the
Forestry Ministry of Indonesia*

NamaPeneliti : Yogi Suwarno
Researcher's name

AlamatPeneliti : 1.
*Researcher's contact
details*



2. **University of Birmingham**, International Development
Department
Muirhead Tower, 10th floor, Room #1029
Edgbaston, Birmingham, United Kingdom, B15 2TT

Saya bersedia untuk berpartisipasi dalam kegiatan penelitian ini. Saya telah membaca **Lembar Informasi Peserta Wawancara** atau **Lembar Informasi Peserta Diskusi Kelompok** yang terlampir. Saya mengerti sepenuhnya peran saya dalam penelitian ini, dan seluruh pertanyaan saya telah terjawab dengan memuaskan.

*I agree to take part in the above research. I have read the **Key-Informant Information Sheeter Focus Group's Participant Information Sheet**, which is attached to this form. I understand what my role will be in this research, and all my questions have been answered to my satisfaction.*

Saya **bersedia/tidakbersedia** nama asli dan/atau nama jabatan saya digunakan dalam publikasi hasil penelitian ini.

*I **would / would not** like my real name and/or position used in the research's publication.*

Saya telah diberikan penjelasan mengenai jaminan kerahasiaan informasi yang saya berikan.

I have been informed that the confidentiality of the information I provide will be safeguarded.

Saya dapat mengajukan pertanyaan kapan saja sebelum dan selama kegiatan berlangsung.

I am free to ask any questions at any time before and during the study.

- Saya mengerti bahwa saya dapat mengundurkan diri kapan saja saya mau tanpa perlu memberikan penjelasan tertentu.

I understand that I am free to withdraw from the research at any time, for any reason and without prejudice.

- Saya telah diberikan salinan dari formulir ini dan **Lembar Informasi Peserta Wawancara** atau **Lembar Informasi Peserta Diskusi Kelompok**.

*I have been provided with a copy of this form and the **Interviewee Information Sheet** or **Focus Group's Participant Information Sheet**.*

Perlindungan Data: Saya memberikan persetujuan kepada Universitas dalam mengolah data personal yang saya berikan. Saya memberikan persetujuan terhadap pengolahan data tersebut untuk tujuan-tujuan yang berhubungan dengan proyek penelitian sebagaimana yang diterangkan kepada saya.

***Data Protection:** I agree to the University processing personal data that I have supplied. I agree to the processing of such data for any purposes connected with the Research Projects outlined to me.*

Nama Peserta Ttd Tanggal 2014
Name of Participant Signed Date

Nama Peneliti **Yogi Suwarno** Ttd Tanggal 2014
Name of Researcher Signed Date

Appendix 4

FIELDWORK TIME TABLE

No	Activities	2013		2014					
		11	12	1	2	3	4	5	6
1	Correspondence								
2	Interviews with Central Government officials:								
	a. Ministry of Forestry								
	b. Bappenas / National Planning Agency								
	c. National Council on Climate Change (DNPI)								
	d. UKP4 / REDD+ Agency								
	e. Ministry of Environment								
	f. Ministry of Bureaucratic Reform								
3	FGD in Ministry of Forestry								
4	Document and any secondary data collection in Jakarta								
5	Interviews with NGOs:								
	a. Aliansi Masyarakat Adat Nusantara (AMAN)								
	b. Greenpeace Indonesia								
	c. CIFOR								
	d. Walhi								
	e. Forest, Climate, and Community Rights Programme HuMa								
	f. Civil Society Forum for Climate Justice CSF-CJI								
	g. Forest Watch Indonesia								
6	Document and any secondary data collection								
7	Interviews and data collection in East Java (Jember)								
	a. Meru Betiri National Park Management (Balai TNMB)								
	b. District government of Jember								
	c. Local institutions								
	d. Local NGOs								

Appendix 5


United Kingdom

1st November 2013

**General Secretary of
Ministry of Forestry, Republic of Indonesia**
Manggala Wanabhakti Building, Lt. 3, Blok I,
Jl. Jend. Gatot Subroto, Senayan, Jakarta
Indonesia - 10270

REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN THE MINISTRY OF FORESTRY


Dear Sir,

My name is Yogi Suwarno, and I am an International Development Department PhD student at the University of Birmingham, United Kingdom. The research I wish to conduct for my Doctoral thesis involves the exploration and description of integrating climate policy into forestry policy making and its afterward organisational arrangement. This project is conducted under the supervision of Dr. Fiona Nunan (University of Birmingham, UK) and Dr. Adrian Campbell (University of Birmingham, UK).

I am hereby seeking your consent to conduct some interviews with officials (echelon II and III) from each echelon I organisational unit under your ministry, and to conduct two-separated focus group discussions involving selected professionals (*pejabat fungsional*) and employees from your ministry.

I have provided you with a copy of research summary which includes copies of the fieldwork time table, participant information sheets and consent forms to be used in the research process, as well as a copy of the approval letter from the University.

Upon completion of the study, I undertake to provide the International Development Department with a bound copy of the full research report. If you require any further information, please do not hesitate to contact me on


Thank you for your time and consideration in this matter.

Yours sincerely,

Yogi Suwarno
University of Birmingham

Appendix 6

Project Summary

Project Title	: Integrating Climate Policy into Forest Policy Making: A Case Study of Policy and Organisational Arrangements in the Forestry Ministry of Indonesia
Department/University	: International Development, University of Birmingham, UK
Name of Researcher	: Yogi Suwarno
Supervisor	: Dr. Fiona Nunan
Co-Supervisor	: Dr. Adrian Campbell

Background

As a cross-cutting issue, climate change has been influencing policy making, particularly in forestry sector in Indonesia. This is mostly because Indonesia has been placed as one of the major carbon emitters in the world due to its deforestation.

Indonesia has acknowledged climate issue in its national and local policy making processes. Reducing Emission from Deforestation and Forest Degradation (REDD+) is a key issue in climate-related forest policy making. However policy architecture on climate-related forest is not well-integrated and properly working together, due to many and different initiatives run behind the program.

Currently there are at least four institutions in ministerial level that directly configure climate-related forest governance and policy in Indonesia. This includes Ministry of Forestry (MoF), National Climate Change Council (DNPI), REDD+ Agency, National Planning Agency (Bappenas), and Ministry of Environment (MoE). These institutions work on the similar REDD+ programs but driven by different initiatives and agenda. Furthermore the list of involved institutions is inevitably extended when it comes to the governance and policy in local levels.

Since then Indonesian climate policy has been described as forestry centric in which the main reason of the country's involvement in international climate agenda is its forest-related emission.

Project Purposes

The purpose of the project is to understand the impact of climate policy--as a cross-cutting issue on national forest policy making in Indonesia and the policy and organisational responses from sectoral ministry on climate change agenda. The project, therefore, will observe the policy and organisational arrangements underway within forestry ministry in adapting such influences.

Research Questions

1. How does a cross-cutting issue influence sectoral policy making?
2. How has the Ministry of Forestry in Indonesia responded to the climate change agenda and how has climate change policy affected forestry policy and policy-making?

Project Outcomes

The outcomes of project is the understanding of the depth and strength of the influence of cross-cutting issue on policy making process within a sector, particularly the influence of climate issue to forest policy making. The outcomes include the understanding on how the arrangement of policy and organisation being made in responding to such changes.

Methods

1. Secondary data collection, conducted in library both offline and online resources.
2. Semi-structured interview, focus group and secondary data collections are made for specific key-informants from MoF.
3. Other semi-structured interviews are made for other climate-related forest institutions and stakeholders in Jakarta, Central Sulawesi and Jember.
4. Documentary analysis is conducted throughout fieldwork trip, in order to obtained key secondary data that may be supplementary to primary data.

Fieldwork Site

Project fieldwork will cover trips to three researched regions i.e. Greater Jakarta (locally called Jabodetabek), Province of Central Sulawesi and Jember in East Java. The time allocation and potential key informants for these three regions is shown in an attached fieldwork-time-table.

Fieldwork trip in Greater Jakarta will take approximately 3-4 months; consist of activities from correspondences, interviews, focus groups, observations and data collections in several different places, which includes MoF and other national climate-related institutions i.e. National Planning Agency, National Council of Climate Change/Ministry of Environment, REDD+ Agency, Ministry of Bureaucratic Reform, including 4-5 NGOs concern with climate-related forest governance and policy all together in Greater Jakarta.

Central Sulawesi is the first and on-going UN-REDD pilot project province in collaboration with MoF. Fieldwork in this province would include interviews, observation and data collection activities in some forest-related services under the provincial government as well as local NGOs. It would approximately take 1-2 months. Meanwhile, apart from doing research in Jember forest-related government institutions, fieldwork will be further covered a visit to a REDD+ pilot project by MoF in Meru Betiri National Park.

Project Contribution

1. Academic contributions:
 - a. This study will investigate the influence of climate policy on forest policy making and the subsequent policy and organisational arrangements. Therefore this study will contribute to the knowledge of how climate policy integration is understood and responded within a forestry sector, particularly in Indonesian case. The study also will provide the understanding on how policy integration yields implications on policy and organisational arrangements where the integration is taking place.
 - b. The study is contributing to develop and enrich the discourse of policy integration in relation to the knowledge of public policy making specifically, and within the discipline of public administration in a broader sense.
2. Pragmatic contribution:

Findings and analysis of the study will be beneficial to understand the current climate governance in Indonesia and thus could serve as recommendations for further improvement in forest policy making in Indonesia.

Appendix 7

Climate change-related Cooperation by the MoF with International Agencies (as of 2013)

No	Division	Project Name	Donor Agency	Budget Allocation	Duration
1	General Secretary	Forest and Climate Change / Forclime (TC-Module) Jakarta, East Kalimantan, West Kalimantan and Central Kalimantan	GIZ - Germany	EU 7,700,000.00	26 July 2010 – 31 Dec 2012, extended until 2014
		Forest and Climate Change / Forclime (FC-Module) East Kalimantan (Malinau, Berau), West Kalimantan (Kapuas Hulu)	KfW - Germany	EU 20,000,000.00	19 Oct 2010 – 30 Dec 2017
		Korea – Indonesia Forest Center	Korea Forest Service (KFS)	USD 1,301,960	29 June 2010 – 29 June 2013
2	General Directorate of Planology	A Joint Cooperation for Strengthening the Capacity of the Forest Management Unit including Preparation for REDD+ Implementation at Tasik Besar Serkap - Riau	KOICA / Korea Forest Service (KFS)	USD 3,000,000.00	2012 – 2015
3	General Directorate of Forest Protection and Natural Conservation	Programme of Community Development of Fire Control in Peatland Area	JICA – Japan	Y 429,258,000.00	12 July 2010 – 11 July 2015
		Indonesia – Japan Project for Development of REDD+ Implementation Mechanism (IJ-REDD+)	JICA – Japan	Y 490,000.00	April 2013 – Mar 2016
		Citarum Watershed Management and Biodiversity Conservation (CWMBC) and Integrated Citarum Water Resources Management Investment Programme (ICWRMIP)	Asian Development Bank	USD 3,750,000.00	4 Oct 2010 – 31 Dec 2013

No	Division	Project Name	Donor Agency	Budget Allocation	Duration
		West Java			
4	General Directorate of Forestry Business Development	Cooperation to Support Forest Governance and Multistakeholders Forestry Programme phase II	DFID – UK	GBP 5,000,000.00	11 Oct 2007 – 11 Oct 2010, extended until 2013
		Operational Strategies for the Promotion of Efficient Utilization of Rubber Wood from Sustainable Sources in Indonesia South Sumatra and Jambi	ITTO	USD 605,094	1 Feb 2010 – 30 Apr 2013
		Strengthening Capacity of Stakeholders for the Development Community-based Plantation Forest at 3 selected Areas in Indonesia Lampung, NTB and North Sulawesi	ITTO	USD 465,151	15 Feb 2011 – 31 May 2013
5	Board of Forestry Reserach and Development	Improving Added Value and Small Medium Enterprises Capacity in the Utilization of Plantation Timber for Furniture Production in Jepara Region	ACIAR	AUD 458,226.00	7 Apr 2009 – 31 Dec 2013
		Improving Governance, Policy and Institution arrangement to Reduce Emission from Deforestation and Degradation (REDD)	ACIAR	AUD 458,226.00	25 may 2008 – 31 Mar 2012, extended until 2013
		Overcoming Constraints to Community Based Commercial Forestry in Indonesia	ACIAR	AUD 898,723.00	11 Mar 2011 – 30 Sep 2015
		Increasing Productivity and Profitability of Indonesian Smallholder Plantations	ACIAR	AUD 579,555.00	9 June 2011 – 31 Mar 2015
		The Korea – Indonesia Joint Project for Adaptation and Mitigation of Climate Change in Forestry	KOICA – South Korea	USD 3,905,953.00	4 Sep 2008 – 31 Dec 2013

No	Division	Project Name	Donor Agency	Budget Allocation	Duration
		through Afforestation and Reforestation Clean Development Mechanism (A/R CDM) and Reducing Emission from Deforestation and Forest Degradation (REDD) in Indonesia (KIPCCF) NTB			
		Tropical Forest Conservation for Reducing Emission from Deforestation and Forest Degradation and Enhancing Carbon Stocks in Meru Betiri National Park	ITTO	USD 814,590.00	8 Oct 2009 – Oct 2013
		Operational Strategies for Conservation of Tengkwang Genetic Diversity and Sustainable Livelihood of Indigenous People in Kalimantan	ITTO	USD 414,104	7 Mar 2011 – 30 June 2014
		Global Initiative on Forest and Climate Assistance to Indonesia / Indonesia – Australia Forest Carbon Partnership Jakarta and Central Kalimantan	AUSAID - Australia	AUD 100,000,000.00 AUD 40,000,000.00 AUD 30,000,000.00 AUD 40,000,000.00	3 Oct 2007 – 3 Oct 2012, extended until June 2014
		FCPF Programme Indonesia Readiness Preparation (REDD)	World Bank	USD 2,862,474.00	2011 – 2013
		Promoting the Partnership Efforts to Reduce Emission from Deforestation and Forest Degradation of Tropical Peatland in South Sumatra Through the Enhancement of Conservation and Restoration Activities	ITTO	USD 181,287.00	21 Apr 2010 – 30 Oct 2012, extended until June 2013
6	General Directorate of	Strengthening Community Based Forest and Watershed	GEF	USD 7,000,000.00	20 Oct 2009 – 20 Oct 2014

No	Division	Project Name	Donor Agency	Budget Allocation	Duration
	Watershed Management and Social Forestry	Management (SCBFWM)			
		Participatory Management for Sustainable Utilization of Non Timber Forest Product Surrounding the Protected Areas of Rinjani Mountain	ITTO	USD 490,374.00	15 Jan 2011 – 15 Jan 2013
		Rumpin Seed Sources Management and Nursery Center	KIFC	USD 160,000.00	30 May 2011 – 30 May 2013
		Model Forest Development Project	JIFPRO	Y 18,000,000.00	12 Dec 2011 – 30 Mar 2015
		Enhancing Sustainable Management of Community Based Wood Pellet Production as Biomass Energy to Support Low Carbon Economy and Climate Change Mitigation in Bangkalan, Madura, East Java	ICCTFF	Rp 5,750,000,000.00	19 Oct 2012 – 30 Sep 2014
		Mangrove Ecosystem Conservation and Sustainable Use in the ASEAN Region (MECS)	JICA – Japan	USD 300,000.00	June 2011 – June 2014
		Promoting Local Community Initiative on the Rehabilitation of Mangrove Ecosystem with Demonstration Activities in Bintan Island to Reduce further Deforestation and Forest degradation	ITTO	USD 555,887.00	2012 - 2014

Source: International Cooperation Division, Ministry of Forestry, 2014

Appendix 8

Milestone of Decentralisation Policy in Indonesia

Year	Decen- tralisation	Forestry	Climate Change	Remarks
1945	v			Indonesian Independence Law I, 1945, regulating regional administration, including establishment of the local national committee is both central
1948	v			Law 22 Year 1948, establishing legislative and executive function of the government and three autonomous levels (the province, the district/municipality and the village), emphasis is put on decentralisation
1957		v		Government regulation 64/1957, granting provinces and districts the authority to issue logging permits
1959	v			Presidential Decree 6/1959, returning to centralised system
1960		v		Basic Agrarian Law
1965	v			Law 18/1965 on local administration
1967		v		Law 5/1967 on basic forestry law
1970		v		GR 21/1970 on rights on exploiting forest
1974	v			Law 5/1974 on regional administration
1979	v			Law 5/1974 on village administration
			v	First climate conference, the government was asked to look at climate change
1985		v		DG of Forestry becomes the Ministry of Forestry
1992			v	Rio Earth Summit, signed by participants
1994			v	Law 6/1994, Climate change ratification
1995	v			GR 8/1995, a two year trial on decentralisation to 26 districts
		v		GR 8/1995, providing for partial transfer of authority over forests to 26 districts on a trial basis
		v		Minister's decree on community forest (SK 662)
1997			v	Kyoto protocol
1998		v		GR 62/1998, transferring of partial authority within the forestry sector to district
		v		Revised community forest decree
1999	v			Law 22/1999 on regional administration, setting the general framework for general decentralisation
		v		Law 41/1999 on forestry
2000	v			The MPR's decree on the hierarchy of law, minister's decree not mentioned
		v		GR 6/1999 repealed by minister's decree, but districts ignored it and continued to issue small scale logging permits
2001		v		Second revision of community forest decree
			v	COP7, results in the Marrakech Accords, mentioning CDM on forestry
		v		Consultative assembly IX decree on agrarian reform

Year	Decen- tralisation	Forestry	Climate Change	Remarks
2002		v		GR 34/2002 on forest use and management
2004	v			Revised decentralisation law (Law 32/2004)
2005			v	COP11, Montreal, discussing RED
2007		v		GR 6/2007, revision of GR 34/2002
			v	COP13, Bali Roadmap
		v		Presidential Regulation 89 Year 2007 on Forest and Land Rehabilitation Movement
2008			v	Presidential Regulation 46 Year 2008 on the establishment of National Council on Climate Change (DNPI)
2011			v	Presidential Regulation 61 Year 2011 on NAP GHG
			v	Presidential Regulation 71 Year 2011 on GHG Inventory
			v	Presidential Instruction 10 Year 2011 on forest moratorium
2013			v	Presidential Instruction 6 Year 2013 on Extension of forest moratorium