



# TRANSPARENCY AND DISCLOSURE OF FOREST SECTOR INFORMATION



## TRANSPARENCY—A GLOBAL TREND

*Over the past few years, there has been growing recognition that governments and companies should be more transparent and accountable. There is growing consensus that the right to information is a crucial element of democratic, accountable, and responsive government.*

Laws opening government records and processes are now commonplace among democratic countries. Over 60 countries have adopted comprehensive laws to facilitate access to government held information and over thirty more are in the process. These laws are broadly similar, allowing for a general right by citizens to request information from government bodies.

Indonesia is moving towards transparent and accountable governance and is currently deliberating a draft Freedom of Information Act that will compel government agencies to disclose information to the general public, with a few exceptions.

Different users have different information needs and these needs will ultimately drive supply and demand for information. Nevertheless, the most important information needs will be met by the Ministry of Forestry.

### What is transparency and why is it important?

Transparency can be defined as the increased flow of timely and reliable information to all relevant stakeholders. The information provided should be accessible, reliable, relevant of good quality and reliable. Transparency is important because it can increase efficient allocation of resources, improve governance, combat corruption and help to ensure that the benefits of resource exploitation are redistributed and not captured by an elite few. It can also be beneficial to governments themselves—openness and transparency in the decision making process can assist in developing citizen trust in government actions and maintaining a civil and democratic society.

## THE RELEVANCE OF TRANSPARENCY AND INFORMATION DISCLOSURE FOR INDONESIA'S FOREST SECTOR

*Indonesia's forests are among the most extensive, diverse and valuable in the world. These forests provide habitats for a wide range of flora and fauna, and play a pivotal role in supporting economic development, the livelihoods of the rural poor and the provision of local environmental services. Forestry is Indonesia's third largest source of non-petroleum sector export earnings and of significant importance to multiple stakeholders.*

Due to population and economic pressure, Indonesia's forests are threatened by a number of factors, including illegal logging,

mining, estate crop expansion, agricultural expansion, transmigration, rural settlements, road developments and unsustainable logging. These factors have resulted in widespread deforestation, forest degradation and carbon emissions.

Efforts to support sustainable forest management and to curb unauthorized deforestation have been undermined by a lack of reliable, accurate and up-to-date information on Indonesia's forest resources, harvesting operations, deforestation and forest degradation, timber trade and law enforcement. This information needs to be in the hands of decision

makers in a timely manner so that they can make informed decisions about Indonesia's forest resources. It also needs to be disclosed to the general public to promote accountability and allow them to participate in decision making processes.

Forest sector transparency needs to be carried out in a fair and consistent manner that is supported by multiple stakeholders. Donors, academics, research organizations, international and local non-government organizations and a range of other stakeholders consequently need to participate in the formation of a forest sector transparency policy.

## THE MINISTRY OF FORESTRY'S TRANSPARENCY INITIATIVE

*The Ministry of Forestry launched a forest sector transparency and accountability initiative on 27 February 2006.*

This initiative aims to:

- Make relevant, reliable, accurate and up-to-date forest sector information continuously available to Ministry of Forestry decision makers and the general public.
- Assist decision makers in better decision and policy making based on daily use of better managed information.

This initiative has been spearheaded by the establishment of a Forest Resource Monitoring System (FOMAS), which will later be up-scaled and called a Forest Resource Information System (FRIS). This initiative focuses on promoting good forest governance and sustainable forest management by developing a decision-making environment where systematic, reliable, accurate and current information on forest-change, carbon stocks, timber resources and related decisions are continuously made available to the general public. This initiative is expected to build the trust of the public and investors in forest sector information and data.

FOMAS is supported by a consortium of organizations, including the World Bank, the World Resource Institute, Sekala, EU FLEGT, Forest Watch Indonesia and South Dakota State University.



## CONTENT OF THE DISCLOSURE POLICY

The disclosure policy will draw upon Indonesia's draft Freedom of Information Act and contain clear and concise articles on:

- What types of information should be disclosed to the general public.
- What types of information should be exempt from disclosure.
- Procedures for how requests for information can be made.
- The costs of disclosure.
- Procedures for how refusals to supply information should be handled.
- Time limits for government officials to respond to information requests.

- Complaint and appeal mechanisms.

Some information, particularly spatial information, still needs to be improved before it can be disclosed to the general public and the Ministry of Forestry is currently establishing a National Spatial Database of accurate and reliable spatial data to address this issue.

## OBJECTIVES OF THE DISCLOSURE POLICY

The Indonesian Ministry of Forestry has formed a Steering Committee comprised of high level government officials to develop a comprehensive disclosure policy for forest sector information. The disclosure policy will be developed in consultation with multiple stakeholders and aim to:

- Promote an appreciation of disclosure and transparency as a corporate value in the Ministry of Forestry.
- Ensure that the majority of information collated, archived and updated by the Ministry of Forestry is made available to the general public.
- Allow stakeholders to access timely and on-going information about developments that affect them.
- Allow stakeholders to understand the potential risks and benefits of a project or policy and to engage in the process of designing risk mitigation and/or enhancing benefits.
- Respect private enterprise confidentiality needs and competitive interests and promote healthy competition.

### WHAT ARE THE EXPECTED BENEFITS?

Forest sector information disclosure is considered necessary and important because it can lead to better forest governance and allow the Indonesian government to increase revenues and attract investment. Rightly implemented, it is also expected to provide an important guard against corruption, mismanagement and abuse of power. Furthermore, increased transparency is expected to promote accountability, allow citizens to participate in decision-making processes, and improve relations between government and civil society. All of these factors are ultimately expected to result in economic prosperity and sustainable forest management.



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