TOWARDS BETTER FOREST GOVERNANCE FOR REDD+ IN INDONESIA:
AN EVALUATION OF THE FOREST LICENSING SYSTEM

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**Towards Better Forest Governance for REDD+ in Indonesia:
An Evaluation of the Forest Licensing System**

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CONTENTS

1. Introduction 1
   Influence of the Licensing System on Drivers of Deforestation and Forest Degradation 2
   Rationale for the Study 4

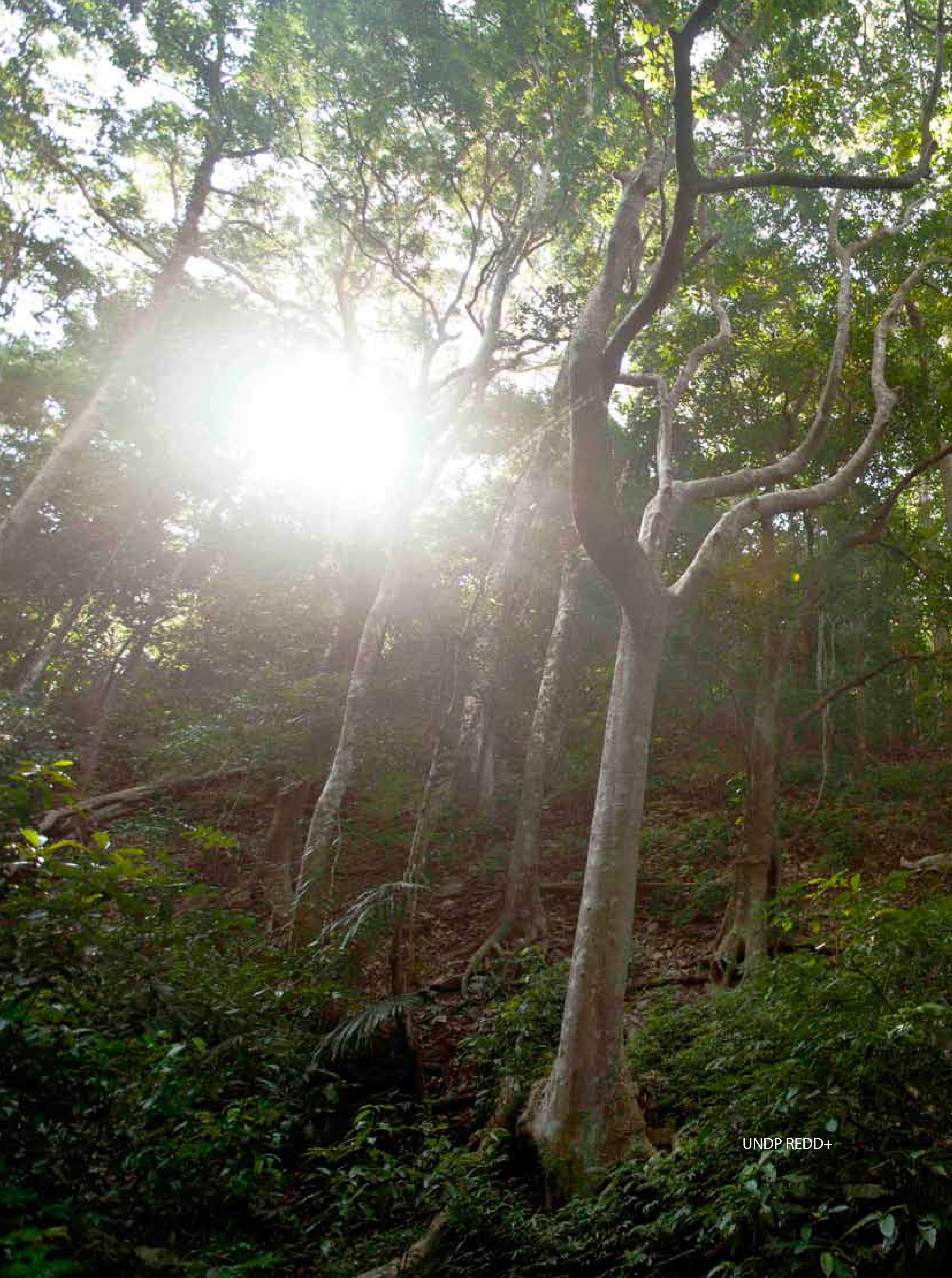
2. Licensing Service Evaluation Methodology 9
   2.1 Questions to Service Users 10
   2.2 Questions to Service Providers 11
   2.3 Focus Group Discussions 12
   2.4 Analysis of Responses 12
   2.5 Analysis of Regulations 13

3. Results and Discussion 17
   3.1 Respondents 17
   3.2 Variations Due to Different Methodologies 18
   3.3 Assessment by Service Users 22
   3.4 Assessment by Service Providers 23
   3.5 Convergence and Contrast Between Answers from Service Users and Service Providers 23
   3.6 Differences in Perception Across Different Types of Licenses 24
   3.7 Differences in Perception per Location 30
   3.8 Qualitative Information Obtained from Respondents 30
   3.9 Results of Regulations Analysis 34

Conclusions 39

Recommendations 40
Annex 1: Bureaucratic Reform 45
Annex 2: Bureaucratic Reform of the Ministry of Forestry 47
Annex 3: Ministry of Forestry Licensing Service Reform 49
Annex 4: Indicators of Each Analytical Instruments for Policy Substance Used in This Study 55
Annex 5: Conceptual Framework for an Improved Licensing Service 58

Bibliography 63



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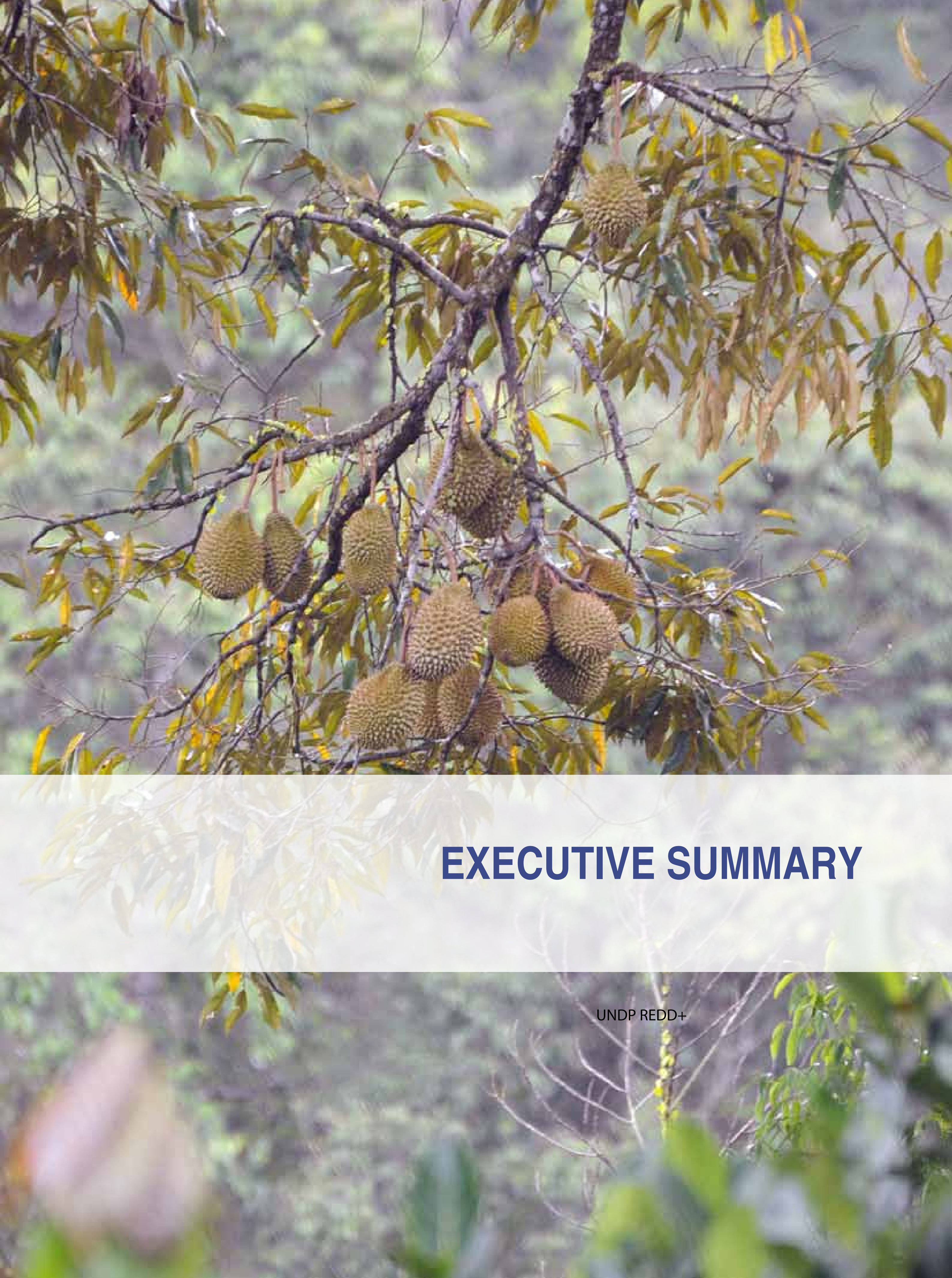
LIST OF FIGURES

Figure 1 : Percentage of Service User Respondents per Type of License 17
Figure 2: Number of Respondents per Location 18
Figure 3 : Methodological Variations in Scores Provided by Service Users 19
Figure 4: Results from Service Users with Standard Deviations, Calculated with the Written Questionnaire (top) and the Structured Interviews (bottom). 19
Figure 5: Variance in Scores Across Different Types of Permit, Using the Written Questionnaire with Service Users 20
Figure 6: Methodological Variations in Scores Provided by Service Providers 21
Figure 7: Results from Questionnaires from Service Providers with Standard Deviations 21
Figure 8: Results from Service Providers with Standard Deviations 22
Figure 9: Scores Provided by Service Users. Stars Indicate a Score that is Relatively Good Regardless of the Methodology; Arrows Denote a Score that is Weaker Regardless of the Methodology; Questions Mark Denotes Inconclusive Data. 23
Figure 10: Disaggregated Data (Forest Area Concessions) Obtained from Service Users Using Structured Interviews Service Users Service Users (Sample Size: 7 Respondents) 25
Figure 11: Disaggregated Data (Natural Forest, HA Licenses) Obtained from Service Users Using Structured Interviews Service Users (Sample Size 4 Respondents) 25
Figure 12: Disaggregated Data (Mining Licenses) Obtained from Service Users Using Structured Interviews (Sample Size: 4 Respondents) 26
Figure 13: Data from Structured Interviews from Service Users Across Different Types of Licenses 27
Figure 14: Data from Written Questionnaire from Service Provide Across Different Types of License 27
Figure 15: Disaggregated Results for RE Licenses Obtained from Service Providers Through Written Questionnaires 28
Figure 16: Disaggregated Results for HTI (Industrial Plantation Forests) Licenses, Obtained from Service Providers with Written Questionnaires 28
Figure 17: Disaggregated Results for HA (Natural Forests) Licenses, Obtained from Service Providers with Written Questionnaire 19
Figure 19: Disaggregated Results for Forest Area Concession, Obtained from Service Providers Through Written Questionnaires 19
Figure 18: Disaggregated Results for Forest Area Concession Licenses, Obtained from Service Providers Through Structured Interviews 19



EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

Forest licenses in Indonesia can play a role to regulate high forestry and land sector emissions in Indonesia, not only because of the 52 million hectares covered by licenses, but also for governance reasons. First, if licensing takes a long time and is deemed too costly (in terms of time lost as well as formal and informal fees), people or companies applying for the license may attempt to recuperate those costs by exploiting the forest under their current license without abiding by the established standards, or outside of the authorized areas or range of activities. Second, because informal fees can allow licenses to be granted in areas such as protected forests or conservation forests, in violation of regulations.

The online licensing system has been the first stage for the one-stop, integrated, and multi-roof forestry licensing system reform. Yet concerns about his effectiveness and transparency have led to the need for an in-depth evaluation. This has been prompted by the fact that an ineffective licensing system will have impact on public (customer) distrust for forestry licensing reform, and disincentive for efforts to reform the licensing system in particular and forestry governance in general. A wider implication is the tendency for service users to feel comfortable with "business as usual", which means a failure to educate the public to participate in encouraging a more transparent licensing process and prevent briberies and undue influence.

This performance evaluation of the online, one-stop and integrated licensing service system in Indonesia, conducted at the request and under the guidance of the Ministry of Forestry, is **based on quantitative and qualitative information gathered from 116 service users and 44 service providers** (civil servants) across six different types of licenses and 22 provinces. The assessment was conducted from July to October 2014. It examines access to information; timeliness of service; professionalism of service providers; opportunities to provide input, suggestions and complaints (including availability and accessibility of complaint facilities); unofficial expenses; convenience;

face time between service users and service providers (used as a proxy for attempts to bribes or undue influence); satisfaction with the online licensing system; adequacy of the standard operating procedure; and pressure exercised or received to grant a license. A complementary analysis of regulations was performed.

The evaluation shows that the expectations of service users have not all been met: **Timeliness of the service provider needs continuous improvement and the unofficial fees that** service users have to pay are the issues of most concern.

In addition, **access to online information, independency of service providers from their supervisors and favorable treatments for better-connected large scale companies** are also identified as aspects to be addressed. These aspects that need improvement are compounded by an overall review on regulations regarding oversight, sanctions for corrupt behavior, and follow up to complaints.

Conversely, **service users are more satisfied about the overall convenience of the facilities and the availability of a complaints mechanism**, with reservations however on diligence in follow-up on complaints.

These trends and the many items that need improvement are found consistent across different company employees, consultants and company executives applying for licenses. The levels of satisfaction among service users are more or less similar across the different types of licenses, as well as across locations.

To improve this, recommendations include:

1) Continue to undertake such an evaluation on a regular basis in order **to identify improvements or declines of indicators over time**. When doing so, attention should be paid to methodological issues (such as anonymity for respondents, sample size, and statistical analysis of results).

2) Apply the principles of information openness, accountability, impartiality, non-discrimination and efficiency for the formation and implementation of all licensing regulation, **a code of ethics for all officials that pertain directly to licensing could be developed**. In addition, strengthening the online licensing system could occur through **linkages with existing anti-corruption mechanisms**, for instance through the implementation of the *Nota Kesepahaman Bersama* (NKB, Multiparties Memorandum of Understanding) agenda of 12 ministries and agencies being coordinated by KPK. In that regard, **sanctions or legal action pursuant to statutory laws could be applied to service users who attempt to bribe officials or give promises to officials for the service given.**

3) Make changes for improvement to the licensing regulations, **consolidate and manage licensing data down to the regional level towards an integrated online licensing system across levels**, and make improvements to the organizational structure as well as bureaucratic reforms as a provider of public services according to the above principles.

4) **Provide training on improvement of knowledge, skills, and correct attitude towards bribery, collusion, and nepotism for all licensing service officers**. Such training, as well as being given to officers of the Ministry of Forestry, shall also be given to the provincial, district and city forestry service officers. In addition, there needs to be an incentive system in place for highly dedicated officers and stringent disincentives for service officers who are not professionals, even more so those who engage in transactions for the licensing services provided.

5) **The decision-making process for the license application shall remain within the environs of the government (Central-Regional) and shall not involve the applicant**. This means that regardless of the location of the license, the process of recommendation shall be provided and executed by the Government-Regional Governments without involving the applicant.

6) The improved integrated online system needs to ensure that information regarding each stage of the licensing process can be consulted by the public, so that both the applicant and the public can monitor it and provide oversight. In addition, **a public consultation window needs to be opened in order to collect public opinion regarding the ongoing licensing process**, as well as any suggestions, complaints and grievances from service users, which can be used for two-way communication regarding the licensing service being processed. This system for feedback should be integrated with the online licensing system.

7) The online licensing system needs to be **linked with the official appointment system that puts forth competence, integrity, and wealth examination of all personnel involved in the licensing process**, i.e. from the officer manning the windows all the way to those who provide technical advice and allocate licenses.

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INTRODUCTION

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1. INTRODUCTION

The government of Joko Widodo (Jokowi) and Jusuf Kalla have reiterated the Indonesian Government's commitment to reduce greenhouse gas emissions by 26 percent with its own capabilities and 41 percent with the support of international development partners. This commitment is embodied in the Government's Medium Term Development Plan (RPJMP) 2015-2019. More than 60 percent of emissions reductions would be achieved through the reduction of deforestation and forest degradation and sustainable forest management, conservation of carbon stocks and carbon stock enhancement through planting or known as REDD+[10].

Indonesia's 133 million hectare forest area is under management of the Ministry of Forestry (now Ministry of Environment and Forestry) and local government. However, based on the findings of various studies related to forestry and land in Indonesia, such as the Forestry Governance Index facilitated by UNDP/UN-REDD Global Programme and forestry licensing system conducted by KPK, the performance of forestry governance needs to be improved.

In the forestry sector, insufficient bureaucracy system has had direct impacts on environmental sustainability at the local, national, and global levels as well as on the quality of human life. The high annual rate of deforestation and forest degradation, the various violations to utilization licenses, the deficient forest management institution at the footprint-level, the disparity of forest utilization and ownership between communities and businesses, are but some of the consequences of ineffective bureaucratic and governance reforms in the forestry sector.

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[10] Commitment to reduce greenhouse gas emissions from forestry and land sectors through REDD+ was reaffirmed by President Jokowi during a meeting with the Prime Minister of Norway, Erna Solberg, which resulted in an agreement between the two countries to resume cooperation on REDD+, which has been implemented since 2010, Tempo. Co., Tuesday, April 14, 2014.

Government efforts to reduce greenhouse gas emissions through REDD+ can serve as a momentum to continue forest governance reform. Several of the efforts have been implemented in the Ministry of Environment and Forestry. Bureaucracy reform and forest governance are needed to ensure that emission reduction efforts are permanent, equitable, and beneficial for the community and the State.

Influence of the Licensing System on Drivers of Deforestation and Forest Degradation.

One cause of the high forestry and land sector emissions is the high prevalence of illegal practices in forest areas, which are also caused by poorly controlled forest utilization. Licensing can play a central role in controlling forest use. As shown in table 1, licensing currently covers over 52 million hectares. Licenses for plantations and settlements occur over are natural forests with dense forest cover, thus with a significant impact on emissions.

Table 1: Licenses Issued and Forest Areas

Type of License	Number of Licenses Issued	Area (ha)
Utilization of forest products from natural forests	274	32,156,388.97
Industrial forests	331	13,411,012.02
Loan-and-use licenses for mining and non-mining activities	679	457.242,34
Loan-and-use permits for mining and non-mining survey and exploration activity	550	2,903,883.34
Plantations and settlements		859,733.62 (out of 6,024,462.66 Ha of convertible production forest)

Source: Ministry of Forestry Statistic report 2013

In the forest sector, most permits are issued by the Ministry of Forestry, although the process is subject to technical recommendations from both district and provincial level governments[11]. Ministry of Environment and Forestry (KLHK) has the authority to issue more than 18 types of licenses. As for the 17 other types of licenses, the Ministry has delegated authority to the head of the Investment Coordinating Board (acting on behalf of the Minister) to issue permits, although KLHK's authority in the licensing process is still quite strong[12].

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[11] In addition, district governments can now issue permits for small scale actors operating within its jurisdiction. Oil palm and coal mining permits have been the most lucrative sectors where permits are issued at district level. See CIFOR study.

The licensing process directly relates to the performance of forest management of the license holders. The licenses that the government issues means that the government has conferred some of its authorities to the license holder, be it individual, group, or company in order to utilize a forest natural resource with certain rights, obligations, and standards. There are several ways in which a link can be established between poor, lengthy, costly administrative licensing system and certain drivers of deforestation and forest degradation.

First, if this licensing process takes a long time and is deemed too costly (in terms formal and informal fees), **there is a risk that the person or company applying for the license attempts to recuperate those costs**. They may do this by exploiting the forest under their current license without abiding by the established standards, or outside of the authorized areas or range of activities. Second, because **informal fees can allow licenses to be granted in areas such as protective forests or conservation forests in violations of the regulations**. This, in addition, makes control and oversight of the operations of a forestry enterprise more difficult since a certain kind of mutual relationship has been established between the state apparatus and the business.

A UN-REDD– supported study has indicated that the forestry, land, and REDD+ governance index in 2012 reached score 2.33 nationally, far below the highest possible rating of five. In addition, and although the Ministry of Forestry's public sector integrity assessment received a grade above 60 for every but one year since 2009[13], studies have confirmed that the high-cost economy in the forestry sector licensing still occurs. This high-cost economy results from a number of fees for certain activities during the process of requesting license by a service user, such as:

a. unofficial costs to pay for certain activities in the licensing process;

b. costs to fulfill requests for certain funds from officers;

c. costs for bribery and entertain officers in order to expedite the licensing process;

d. costs to sponsor activities unrelated to the licensing process; and

e. Costs to pay brokers/consultants hired to take care of the licensing process.

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[12] Decree of Minister of Environment and Forestry Number P.1 / Menhut-II / 2015 regarding amendments to the regulation of the Minister of Environment and Forestry Number P.97 / Menhut-II / 2014 on the delegation of authority for issuing license in the environment and forestry sectors (in conjunction with one stop service) to the head of the Investment Coordinating Board (BKPM)

[13] Public Sector Integrity that is assessed by the Corruption Eradication Commission (KPK) : the Ministry of Forestry's Public Sector Integrity grade was 6.33 for 2009, 6.98 for 2010, 7.09 for 2011, 5.55 for 2012, and 7.17 for 2013

In addition to costs, the length of the process and the time investment needed are recurring concerns.

Prior to this study, a number of service users had shared their experience when securing the license for utilization of timber forest products. They had highlighted:

a. Complexity of the process (“labyrinthine”), with many tables to fill;

b. Length of the process : between 491 and 938 working days to obtain a license for utilization of timber forest products, 720 working days for a forest land use license, and 600 to 900 working days for a forest concession license; and

c. High costs to secure the permit at the Ministry of Forestry. This cost, while intended to pay for certain activities needed to meet the requirements of the license, also includes unofficial fees such as monies solicited by officers, bribes to officials in order to expedite the permits, requests to sponsor certain activities that are unrelated to the licensing process, as well as to pay brokers/consultants to take care of the licensing process[14].

Rationale for the Study

Responding to this matter and to pressures from various parties, the Ministry of Forestry has undertaken a number of efforts to improve the quality of the licensing service towards a comprehensive licensing service. The Ministry launched an online licensing system[15] in September 2013 and established a physical booth on the ground floor of its building to provide services to external parties. Via its online licensing portal the Ministry provides figures on the number of permits it has issued. As stated in a recent U4 paper, “Compared to the previous system where procurement and licensing was conducted offline and in an opaque manner, these systems can be viewed as improvements in efforts to reduce corruption”[16] .

To date, as the software application is still being prepared, only 6 Ministry of Forestry licensing permits can be submitted online, shown in Table 2. Yet this and other recent efforts by the Ministry of Forestry (see Annex 2) certainly need to be evaluated in order to identify the shortcomings and advantages of the system being developed. The creation of a Forestry Licensing Index (FLI) has been one of the Ministry of Forestry’s resolves to evaluate the performance of the forestry sector going back two years, from 2013 to 2014, when six types of online licenses were enacted.

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[14] When the portal was launched, the Jakarta post reported that the portal stated that “an IUPHHK application takes a maximum of 125 days to process, while a HPK can take a maximum of 187 days. As for costs, it says there are no fees charged for applications, although a fee is charged for the actual permit”. See http://kkwww.thejakartapost.com/news/2013/09/12/ministry-ease-permit-application-procedure.html

[15] See: http://lpp.dephut.go.id/home

[16] Dermawan et al

This evaluation and the resulting FLI, which is the core of the report you have in hands, is complemented by recommendations for improving the performance of forestry sector licensing, gathered from the perspective of users as well as the license providers. This shall serve as a basis for improving the licensing system and will be measured again in order to see whether it has improved or otherwise.

The results of forestry sector licensing evaluation will be useful as a set of data that will inform the REDD+ implementation framework that Indonesia can report to the UNFCCC as well as its information on how governance safeguards are addressed. Improvements to the forestry sector licensing reflect the seriousness of the Indonesian government to address governance weaknesses that enable or catalyze drivers of deforestation and degradation.

Table 2 : Types of Ministry of Forestry Licensing Services Online. Only the First Six Types of Licenses can be Submitted Online.

No.	Type of License	Acronym
1	License for Utilization of Natural Forest Timber Products	IUPHHK-HA
2	License for Utilization of Plantation Timber Forest Products	IUPHHK – HTI
3	License for Utilization of Ecosystem Restoration Timber Forest Products	IUPHHK-RE
4	License for Conversion to production forest	HPK
5	License for Production Forest Land Use/non-mining	IPPKH Production/Non-Mining
6	License for Forest Land Use for surveys/ exploration (including mining)	IPPKH Survey/Exploration
7	License for Timber Forest Processing Industry	
8	License for Breeding	
9	License for Nature Tourism Enterprise	
10	License for Export of Seeds/Seedlings	
11	License for Import of Seeds/Seedlings	
12	License for Conservation Institutions	

At the subnational level, a number of provinces and districts have set up one-stop licensing offices. Some of these offices conduct licensing on behalf of the central government. Others have tried to streamline the permit process (e.g. the districts of Berau and Bulungan in East and North Kalimantan). Challenges include harmonizing legal frameworks and resolving issues tied to overlapping uses of a particular area of land[17].

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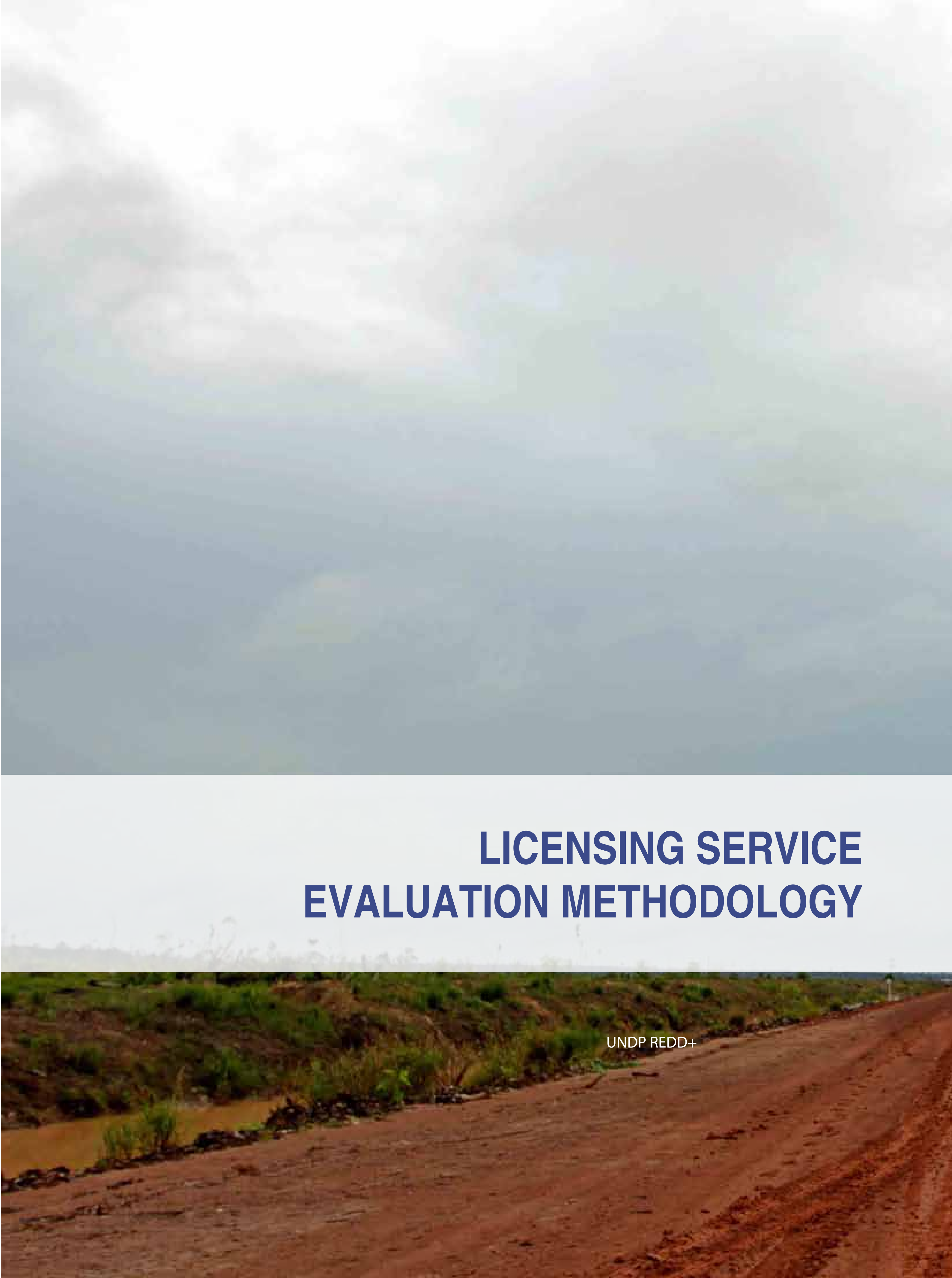
[17] Kartikasari et al, 2012.



LICENSING SERVICE EVALUATION METHODOLOGY

2. LICENSING SERVICE EVALUATION METHODOLOGY

The study builds on the early insights from the Forestry, Land, and REDD+ Governance index, and combines quantitative research (questionnaire with Likert scale) followed by a qualitative delving that attempts to study the meaning more deeply for the previous answers

The combination of the study methods uses the sequential exploratory strategy, where it is dominated by the qualitative method employing the quantitative method within. With this hybrid method it is possible to obtain a more complete understanding about the problems in the study conducted[18].

Mixing is usually done during data interpretation and discussion. The advantage of this strategy is that there is the possibility that the study will obtain a substantive finding that is truly validated. The disadvantage is that this strategy requires more time investment and special skill for the researchers, in order to triangulate what emerges from two different approaches.

This study used primary data from service user and from service providers. The research population was as follows:

a. The personnel of the online licensing service of the Ministry of Forestry distributed in the Secretariat General of the Ministry of Forestry (General Affairs Bureau and Legal Bureau), Directorate General of Forestry Planology (Directorate for Forest Land Utilization and the Directorate for Forest Establishment and Use Systemization), and Directorate General for Forestry Business Patronage (Directorate of Natural Forest Business Patronage, Directorate of Plantation Forest Business Patronage, and Directorate of Forest Utilization and Business Planning Patronage).

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[18] Creswell, second print 2012. According to Creswell and Clark (2007) in Creswell (2012), in the data collection that uses a combination of qualitative-quantitative method, data collection can be performed by mixing, connecting, integrating, or embedding one type of secondary data (for example, quantitative) into the primary qualitative data type, or vice versa. In the concurrent triangulation strategy, the researcher collects the qualitative and quantitative data concurrently (at once) and both datasets are then compared to see if there is convergence, differences, or whether there are several data combinations.

b. Online licensing service users who had applied between 1 January 2013 and 11 August 2014 ; these include companies that file applications for IUPHHK-HA, IUPHHK-HTI, IUPHHK-RE, Forest Concession License in HPK for plantation cultivation, IPPKH for Production/Non-Mining, IPPKH for survey/exploration.

The method of primary data collection was achieved by distributing questionnaires to be filled in writing, or to guide interview. For each question, respondents were asked to use a rating scale grouped into the following five scores:

a. Very Good (100),

b. Good (80),

c. Quite Good (60),

d. Insufficient (40), and

e. Very insufficient (20).

In addition to grades, respondents were also asked to answer open-ended questions and provide inputs/opinions regarding the licensing service. To help them in filling the questionnaire, respondents had the option to ask the officer/assessor/surveyor assistance to explain matters related to the questionnaire.

After the questionnaire is filled and processed, in order to probe into the information, an open interview was conducted and focus group discussions (FGD) were held (see Annex 4). The results of this interview and FGD were meant to confirm, infirm or nuance the answers collected through the questionnaires.

The respondent data is collected in a distinct table that consists of Service User respondent data and Service Provider respondent data. Similarly, the Corporation data and Ministry of Forestry Working Unit data studied are also presented in a company list and Ministry of Forestry Working Unit List. In order to prevent confidentiality and minimize the risks of retribution, individual, non-aggregated respondent data and Company/Working Unit data will not be included in any writing published in whatever form.

2.1 Questions to Service Users

Nine indicators were used to assess the satisfaction of service users, as follows:

a. Access to information

b. Timeliness of service

c. Professionalism of service officers

d. Feedback/Opportunities to provide input, suggestions and complaints
e. Unofficial expenses
f. Convenience
g. Face time between service users and service providers
h. Satisfaction for the online licensing system
i. Availability and accessibility of complaint facilities

Indicators for service user were grouped into three variables, namely:

a. **System :** combining five of the indicators above:
    - Access to information
    - Opportunities to provide inputs
    - Convenience
    - Overall satisfaction
    - Availability and accessibility of complaints facilities
b. **Capacity:** combining three of the indicators above :
    - Timeliness
    - Professionalism
c. **Integrity:** combining two of the indicators above
    - Unofficial expenses
    - Face time

2.2 Questions to Service Providers

The service provider points of view were measured using the following ten indicators:

a. Standard Operational Procedure (SOP)
b. Availability of information through technology
c. Discrimination when providing service
d. Existence of supporting facilities and service convenience
e. Professionalism of service officers
f. Service cost/fees

g. Promptness and accuracy of service

h. Politeness and patience of the service officer

i. Pressure from management or external actors to grant a permit where it should not

j. Gratification in the form of money/shares/goods to expedite the service

Here again, indicators to assess the performance of the service working unit were grouped into three variables:

a. **System, combining three indicators :**
   - SOP practicality
   - Transparency through technology
   - Convenience of supporting facilities

b. **Capacity, combining three indicators**
   - Professionalism of officers
   - Speed of working unit service
   - Politeness and patience

c. **Integrity**
   - Discrimination
   - Pressure to grant unauthorized permits
   - Gratification to expedite service

Note however that variables between the service users and the service provider groups cannot be compared as they group different indicators.

2.3 Focus Group Discussions

Results were validated and additional details provided through four focus group discussions (FGD): two at the national level held in Jakarta, one in east Kalimantan and one in Jambi.

2.4 Analysis of Responses

From the questionnaires, “structured interviews” and FGD results, all inputs are grouped according to the variables and arranged in the order of frequency. Inputs with high frequency are processed to improve the licensing system in the future in order to achieve a much improved Ministry of Forestry licensing service. High frequency inputs mean that they have an important meaning for many stakeholders, so it must get due attention. However, inputs with low frequency must also be considered because they may be significant in improving the licensing governance although they may have been overlooked by many.

2.5 Analysis of Regulations

This study also performed an analysis of the substance of licensing regulations in the forestry sector to examine the extent to which existing regulations are addressing the various issues at hand in the licensing process, such as licensing transparency, ease and costs.

The scope of this regulation analysis is divided into two parts. The first category includes regulations that regulate the direct licensing process. In this context, the regulations are:

a. Licensing in forest land use for mining and non-mining such as surveys and explorations (P 16/Menhut-II/2014).

b. Licensing in forest concessions for plantations, transmigration and other purposes (P.28/Menhut-II/2014).

c. Licensing in the utilization of natural forest, industrial plantation forest and ecosystem restoration timber products (P.31/Menhut-II/2014).

The second category relates to regulations that regulate indirectly the licensing process in the forestry sector but have a strong correlation to ensure the licensing process can proceed efficiently and is not prone to practices of high-cost economy. In this context, the regulations are:

a. Online licensing information service in the forestry sector (P.13/Menhut-II/2012)

b. Guidelines for internal complaint handling that integrates the whistle blower approach and handling of public complaints regarding corruption crimes in the environs of the Ministry of Forestry (P. 34/Menhut-II/2013)

c. Establishment of Ministry of Forestry gratification unit (SK Menhut No.468/2013)

d. Guidelines for Ministry of Forestry Civil Servant code of conduct (P.11/Menhut-II/2011)

To facilitate the analysis of the regulations, an indicator framework was designed. This framework also helped understand the situation around the documents or texts being analyzed or the contexts, to understand the contents of the regulation or the process and interpret the contents of the process that have been analyzed.

Six indicators were used to analyze the contents of direct and indirect regulations owned by the Ministry of Forestry. Each of the indicators are helped by respective items that must be reflected in one regulation overall or in one of the existing regulations. They were designed in reference to Laws and Government Regulations regarding public services and literature regarding good license management that is not prone to corruption. The six indicators are:

a. **Licensing information transparency:** whether rules regulate the ease of access to information, clarity of the information provided, accuracy and the form of accountability to license users, licensing fees, the unit responsible, sanctions for officers who do not issue the license, and media used to provide information to the public.

b. **Licensing service standards:** whether a rule regulates the duration for each of the licensing steps, the working unit responsible, sanctions if a phase is not fulfilled, reporting mechanism to users and mechanism for improving licensing service standard.

c. **Professionalism and ethics of the licensing service provider:** whether or not a rule regulates the way officers serve users, ethics of licensing service provider, sanction mechanism and awards for service providers

d. **Accountability:** whether rules regulate the system for conveying suggestions and inputs, procedures for replying inputs and suggestions as well as follow up to inputs provided, propriety of mechanisms and complaint handling facilities.

e. **Prevention against corruption in the forestry sector:** whether existing rules regulate an action plan for preventing corruption in the licensing sector, official fees at all stages of licensing, mechanism for paying the official fees, sanctions against officials committing acts of corruption in licensing and discrimination of licensing service and mechanism for internal and external supervision in the licensing process.

f. **Online licensing mechanism:** whether or not the existing rules regulate the service procedure for online licensing, supervision, user satisfaction survey and special complaint handling for online licensing.

The results of this analysis of regulations are presented in section 3.9.

RESULTS AND DISCUSSION

3. RESULTS AND DISCUSSION

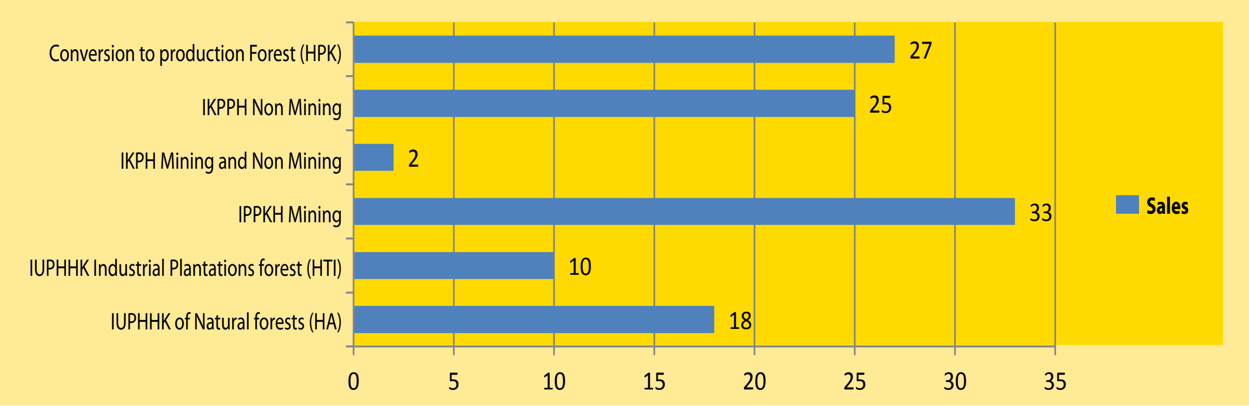
3.1 Respondents

Service Users

Respondent whose opinions have been successfully collected comprise 116 service user respondents and 44 service provider respondents.

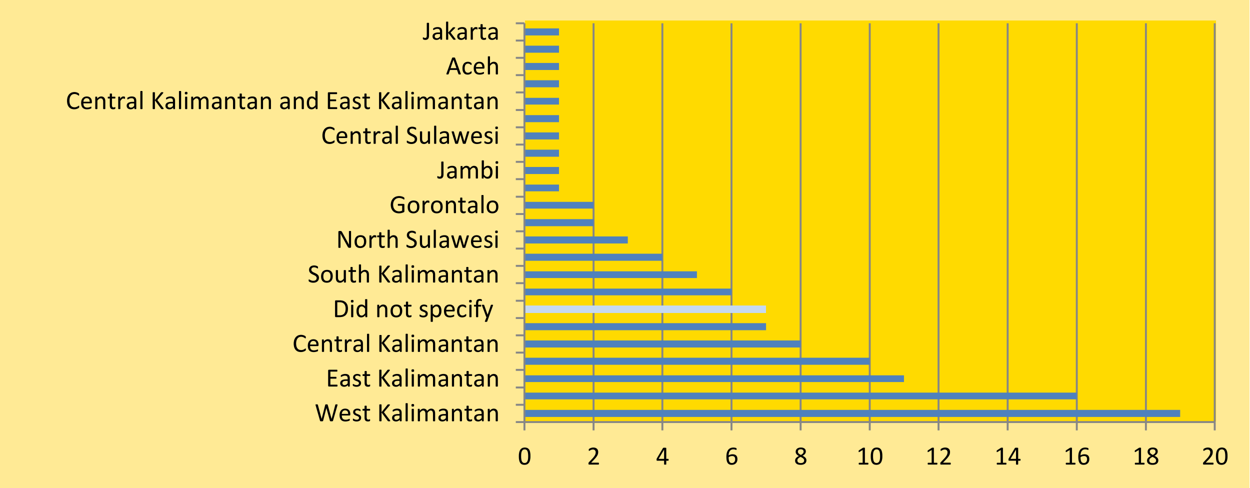
Based on the distribution of licensing types, the 116 service user respondents have applied for are represented in the Figure below

Figure 1 : Percentage of Service User Respondents per Type of License



Of the 12 licensing services whose service has been using the online licensing service, only five types of licensing services had survey results where the number of respondents was enough for adequate analysis. These are presented in Figure 1, along their proportion.

Figure 2: Number of Respondents per Location



The majority of respondents who had applied for permits were based in West Kalimantan province, South Sumatera province, East Kalimantan province and Riau province. It can be concluded that companies apply for a license in the provinces where they are registered. For data analysis purposes, answers from respondents who had indicated more than one province in their answer were not used when studying variation across locations (section 3.6). Further analysis was not performed for West Papua, Jambi, West Sumatra, Central Sulawesi, Maluku, West Sulawesi, Aceh, Yogyakarta and Jakarta because of the lack of data (only one respondent), and no conclusions can be drawn if it is only based on the perception of one respondent.

For lack of data (only one respondent), no further analysis is done for West Papua, Jambi, West Sumatera, Central Sulawesi, Maluku, West Sulawesi, Aceh, DIY and Jakarta. Indeed, it would not be correct to draw conclusions based only on the perception of one respondent.

3.2 Variations Due to Different Methodologies

The various methods used to gather data shows significant variations in the scores collected when using the written questionnaires and structured interviews. Figure 3 below, which plots the average scores provided by service users using three different methodologies (written questionnaire, structured interviews and focus group discussions), shows that:

a. Scores are generally higher when given through the written questionnaire (blue line) and lower through structured interviews (red line), which could point to some reluctance in providing negative comments through the closed questions of the questionnaire.

b. Scores obtained at the conclusion of focus group discussions tend to be aligned with scores provided through structured interviews at the exception of two data points

c. For various data points, deviations between different methodologies is high, therefore averaging these numbers does not yield reliable information.

d. It is likely that answers provided through structured interviews are more genuine than those provided through the written questionnaires. Indeed, additional spontaneous information provided during the interviews tended to corroborate numerical values.

Figure 3 : Methodological Variations in Scores Provided by Service Users

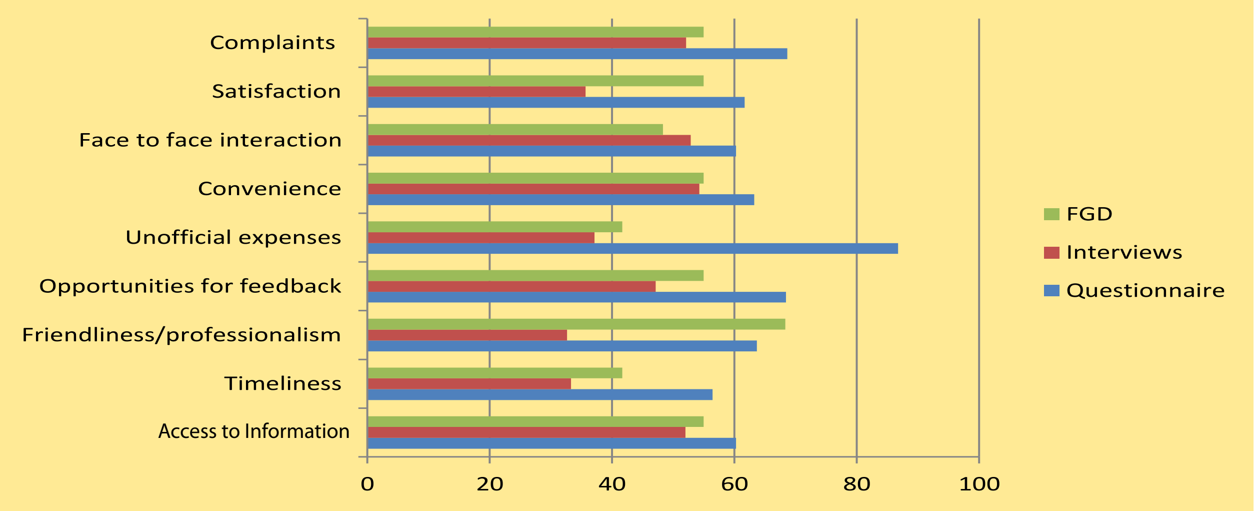
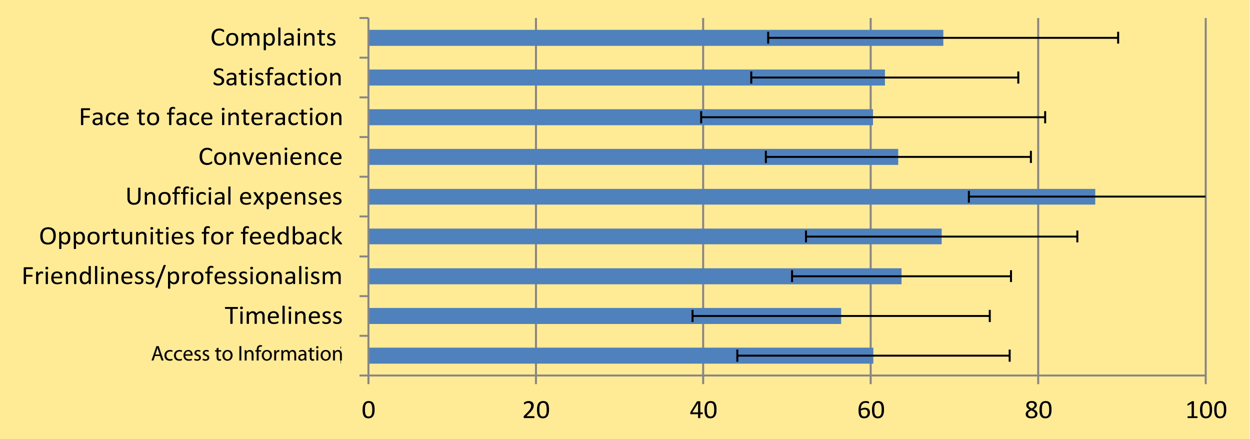
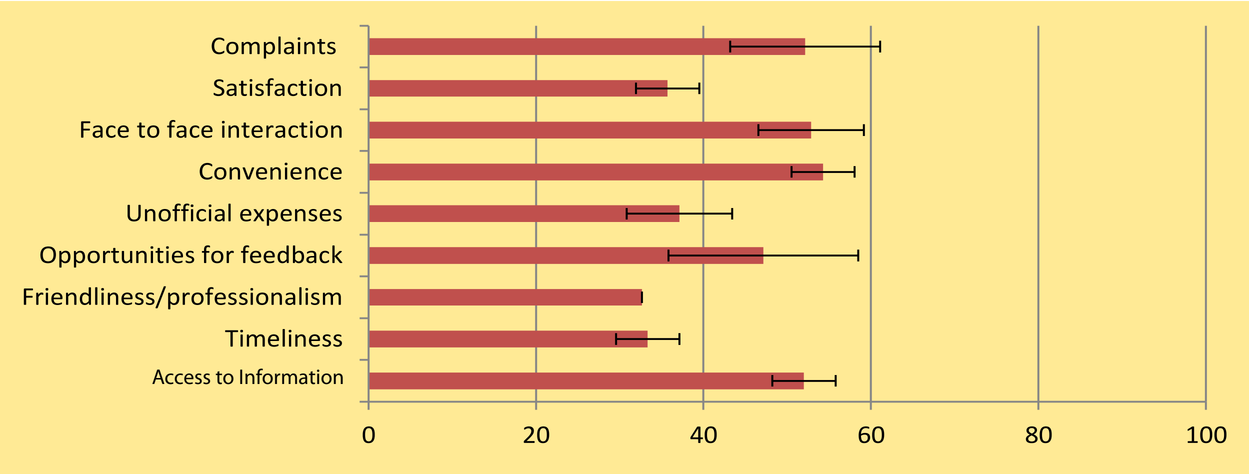


Figure 4: Results from Service Users with Standard Deviations, Calculated with the Written Questionnaire (top) and the Structured Interviews (bottom).

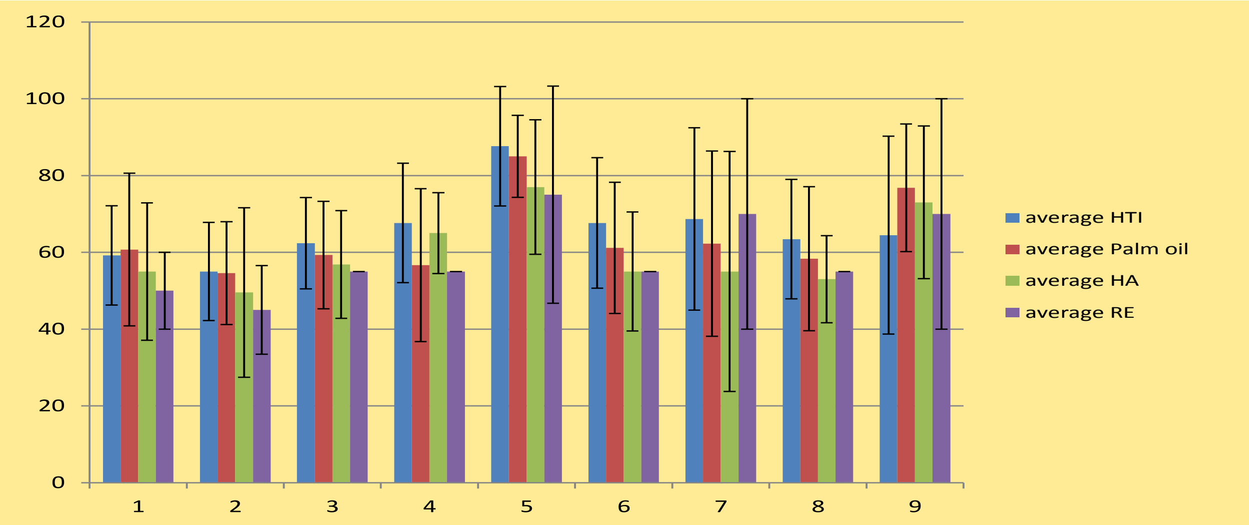




Most importantly, as show in Figure 4, there are considerably more deviations (as seen with error bars) among respondents obtained through written questionnaire than when using the structured interview methodology. Large deviations obtained with the written questionnaire imply that the different indicators show no statistical difference between different indicators.

These large deviations do not come from differences in types of permit: indeed, even when disaggregating per type of permit, the standard deviations remain too high to show any statistically significant difference (see Figure 5)

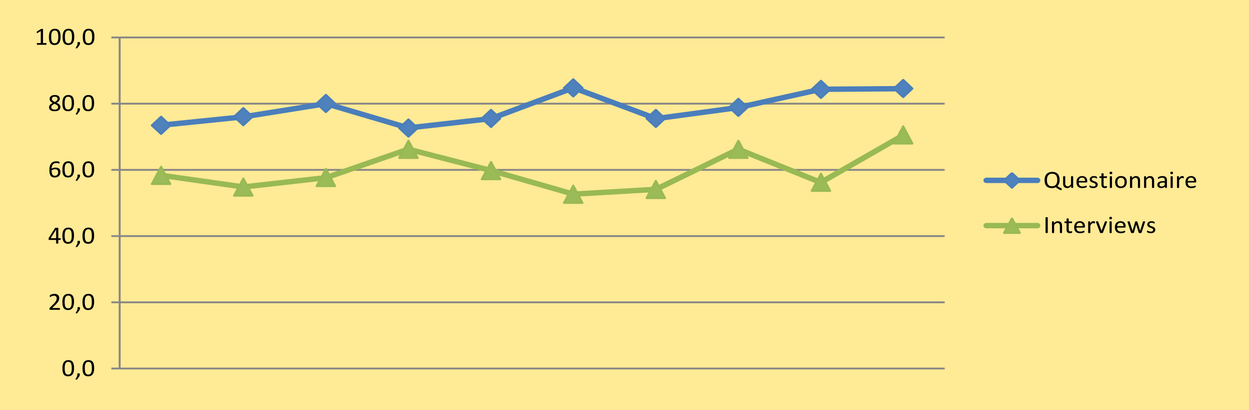
Figure 5: Variance in Scores across Different Types of Permit, Using the Written Questionnaire with Service Users



Therefore, for the remainder of the report, **only "structured interviews" of service users and their validated results by focus group discussions can be used to draw conclusions** that are based on statistically significant data.

Among service providers, similar methodological variations obtained when respondents were polled using written questionnaires and structured interviews can be observed. As shown by Figure 6 below, scores obtained through interviews are systematically lower than those obtained through the written questionnaire, although the differences in scores are not as important (on average a 10 point difference) as those observed using different methodologies with service users (between 5 and 45 point difference). This difference is likely to occur because of the assumption that written questionnaire is anonymous or confidential compared to a structured interview.

Figure 6: Methodological Variations in Scores Provided by Service Providers



Most importantly are deviations in scores provided by service providers, illustrated in Figures 7 and 8 by large error bars and small variations in scores.

Figure 7: Results from Questionnaires from Service Providers with Standard Deviations

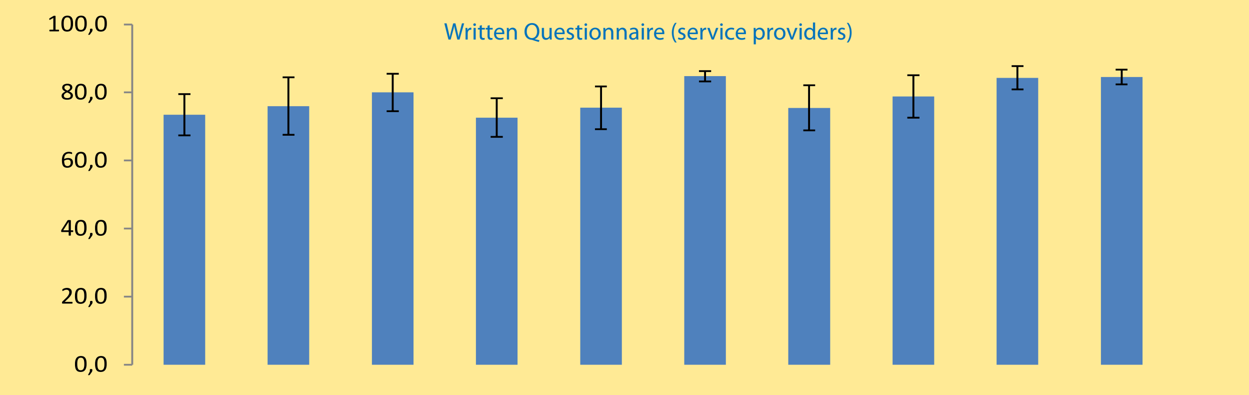
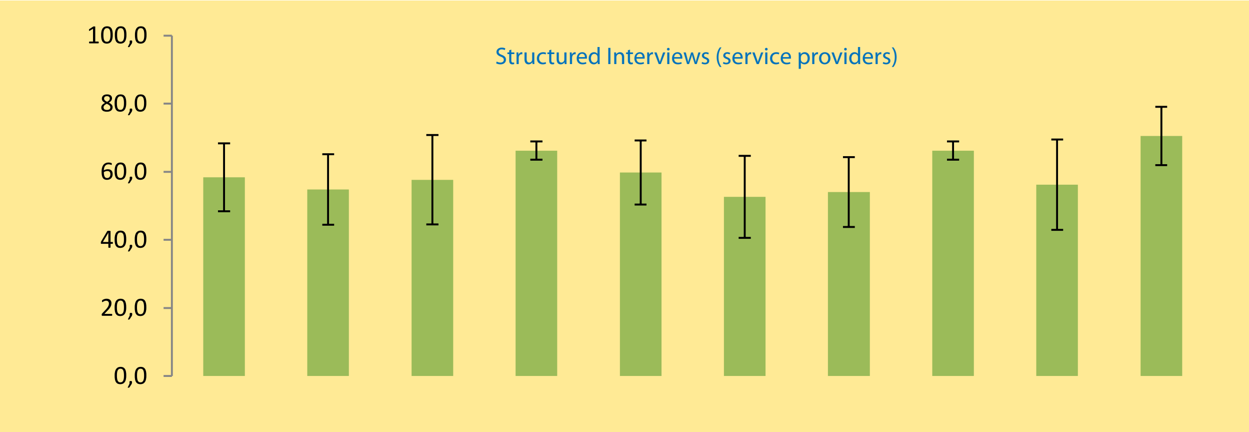


Figure 8: Results from Service Providers with Standard Deviations



Among service providers, standard deviations are high independently of the methodology used.

Consequently, the results from the questionnaire and interviews of service providers show that no indicator scores statistically differently from another when using aggregated data. This is due to the deviations that are large considering the sample size of respondents. Consequently, no conclusion can be drawn from quantitative data obtained from service providers when using aggregated data. However:

- When disaggregated by type of permit, some statistically significant differences in responses from service providers are observable. This is discussed in section 3.5
- Qualitative data obtained when filling the questionnaire and during the interviews still brings valuable information.

3.3 Assessment by Service Users

Figure 9 below plots the only data that shows statistical significance, i.e. data deriving from interviews and focus group discussions. Three categories of indicators emerge:

a. **Indicators with top scores regardless** of the methodology used. The top scoring indicators are marked with a star in ★ Figure 9 below and are :

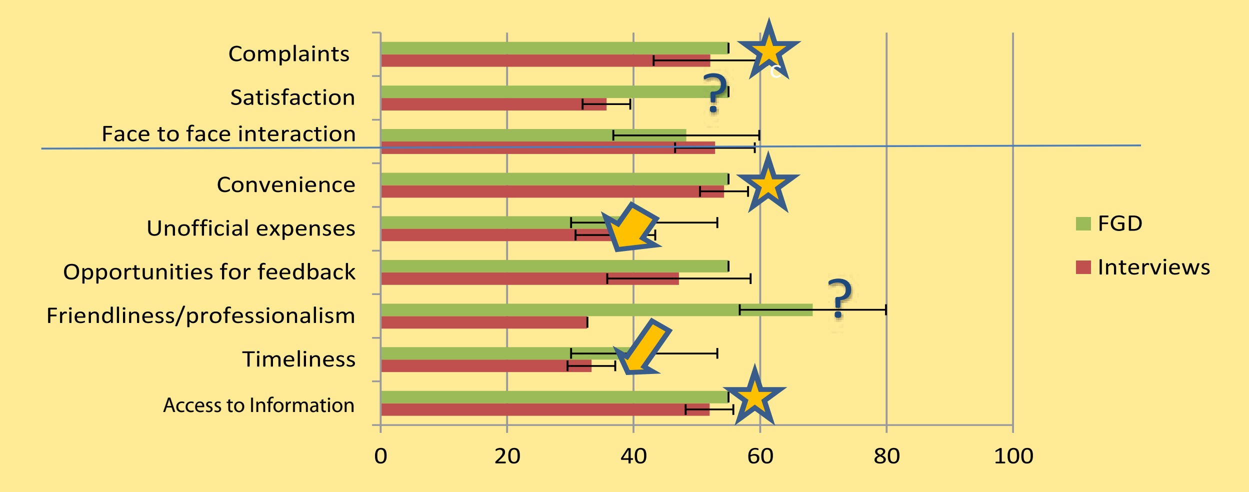
  - Access to information
  - Opportunities for feedback
  - Overall convenience of the system and facilities
  - Accessibility of complaints mechanism

b. **Indicators with lowest scores** regardless ↙ of the methodology, which indicate areas where most efforts are needed. These are marked with an arrow in Figure 9 and are:

- Timeliness
- Unofficial expenses

c. Indicators where the scores for interviews and the focus group discussions **diverge**, marked with a question mark, such as friendliness and professionalism, and overall satisfaction.

Figure 9: Scores Provided by Service Users. Stars Indicate A Score that is Relatively Good Regardless of the Methodology; Arrows Denote A Score that is Weaker Regardless of the Methodology; Questions Mark Denotes Inconclusive Data.



3.4 Assessment by Service Providers

Several qualitative conclusions have emerged from the written questionnaires and structured interviews of service providers.

Overall, service providers expressed satisfaction regarding convenience, courtesy and gratification (expediting fees). Regarding the latter, a score between 70 and 80 in this case signifies that service providers consider that expediting fees occur in less than 5% of cases. However, qualitative information obtained through interviews indicated that despite this score, it remains an area of concerns where efforts are needed. This is described in section 3.8.

3.5 Convergence and Contrast Between Answers from Service Users and Service Providers

It should first be observed that the overall scores by service providers are generally higher than those provided by service users. However, while quantitative data obtained from service users can be used to draw conclusions, the same is not the case for quantitative data obtained from service providers. Quantitative data sets therefore cannot be compared, but the qualitative information obtained through the questionnaires and interviews illuminate the quantitative results obtained from service users.

Areas of Convergence Between Service Users and Providers

a. The **convenience of facilities** is overall scored or remarked favorably both by service users and service providers.

b. **Timeliness**, or promptness of service, was identified as an issue by service users, which was corroborated in qualitative information provided by service providers

c. **Transparency and availability of information**: while service providers tend to speak of this indicator relatively favorably, they did tend to see it as relatively lower than other performance indicators. Availability of information online is also an area of lesser satisfaction for service users. This is caused by the fact that service users expect the process to be fully implemented online for every step, when in fact most of the process still happens offline. Indeed :

  - while face to face interaction has decreased, it still occurs at many stages of the process
  - not all licensing system steps are online: tasks under the authority of the provincial, district and city governments in the forestry sector still occur through offline authorizations.

Areas of Most Contrast Between Service Users and Providers

a. **Gratification**: the score for gratification provided by service providers indicated that they consider that expediting fees occur in less than 5% of cases. By contrast, "unofficial expenses" is identified as an area of concern by service users, as seen in the low scores for that indicator.

3.6 Differences in Perception Across Different Types of Licenses

Service Users

The scores provided by service users do not differ significantly across different types of permit when using the questionnaires. This means that the large variations obtained through this methodology are spread across different types of licenses, rather than due to one particular type.

For the structured interview methodology, we only report below results where there were at least four respondents per type of licenses, in order not to draw conclusions from the opinions of a couple of respondents.

Figure 10: Disaggregated Data (Forest Area Concessions) Obtained from Service Users Using Structured Interviews Service Users Service Users (Sample Size: 7 Respondents)

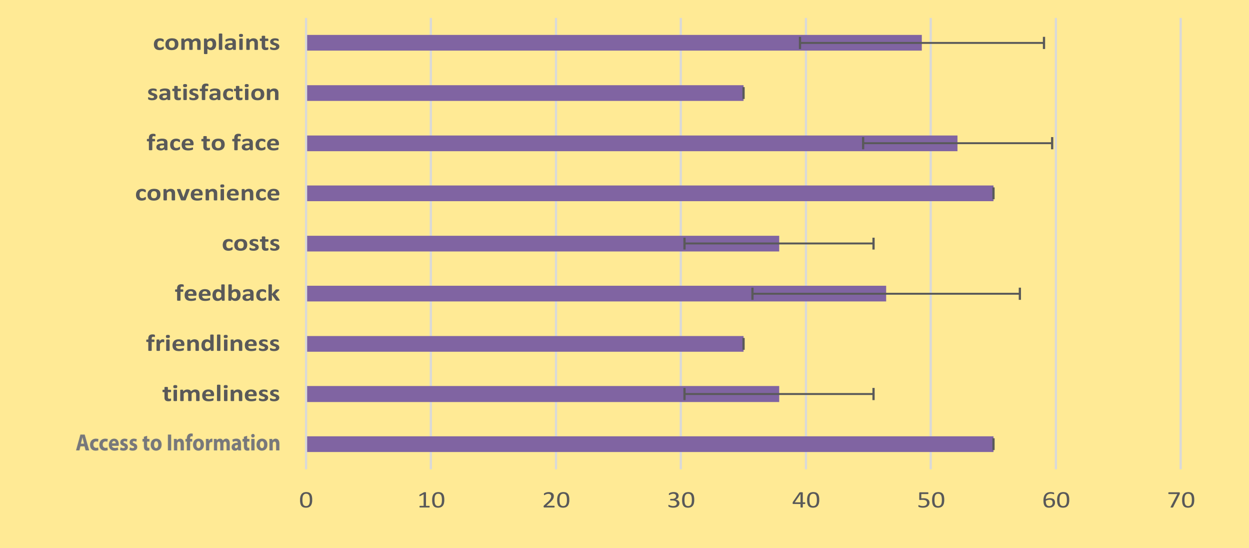
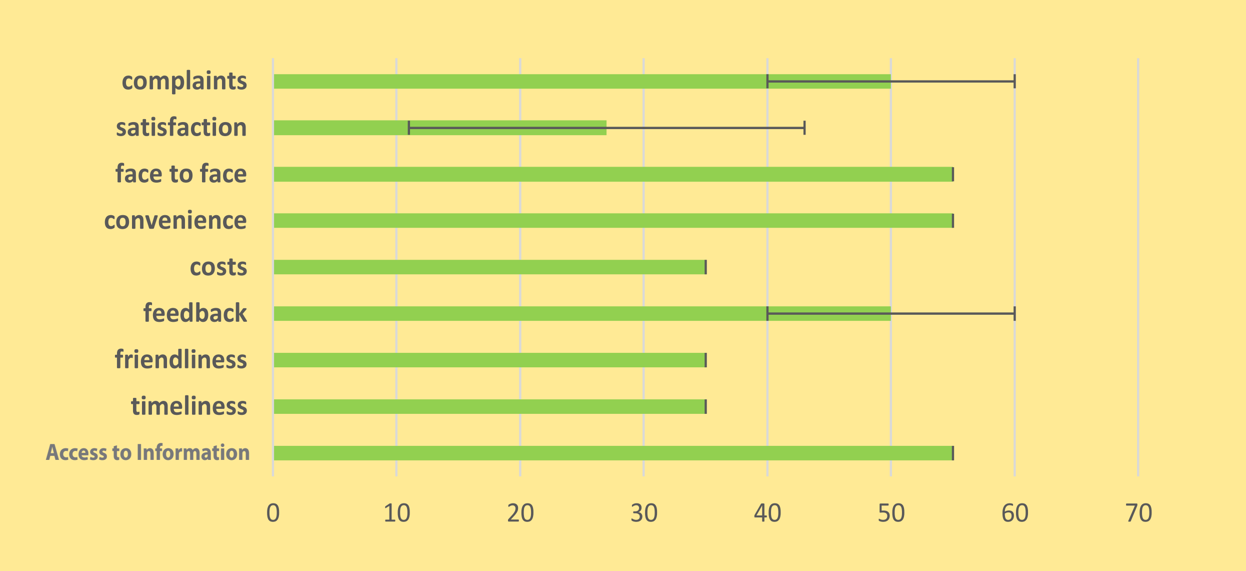
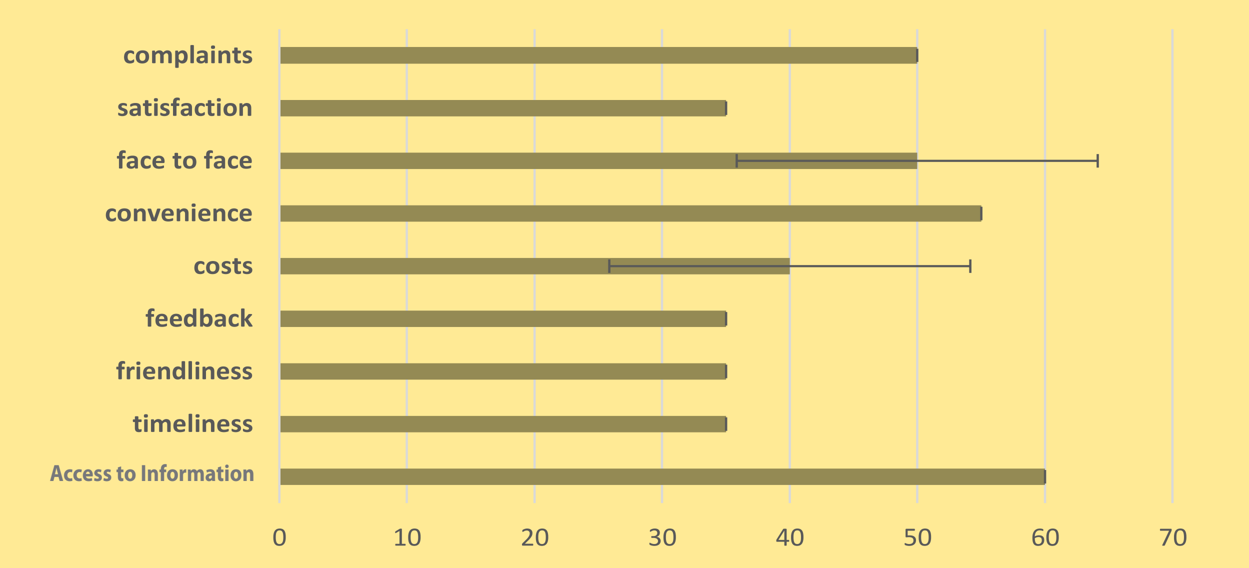


Figure 11: Disaggregated Data (Natural Forest, HA Licenses) Obtained from Service Users Using Structured Interviews Service Users (Sample Size: 4 Respondents)



For both forest area concession and HA, the trends uncovered under section 3.3 appear more markedly. Here again, timeliness and unofficial costs appear as the lowest ranking, while access to information, access to complaints mechanism, and convenience rank higher.

Figure 12: Disaggregated Data (Mining Licenses) Obtained from Service Users Using Structured Interviews (Sample Size: 4 Respondents)

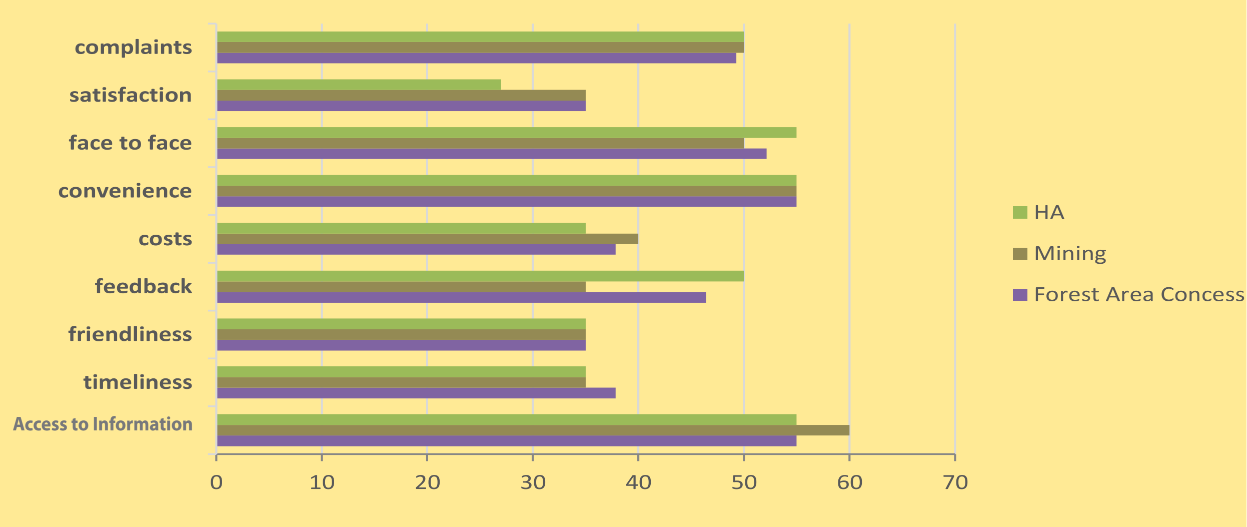


For mining licenses (Figure 12), **feedback** is also markedly among the lowest ranking indicators.

When comparing values between the various types of licenses where the sample size is sufficient (Figure 13), and taking into account variations, we can infer that:

- Timeliness, friendliness, informal costs and overall satisfaction rank among the lowest
- Access to information scores slightly higher for mining licenses than for Forest area concessions or HA licenses
- Feedback scores slightly lower for mining permits than for Forest area concessions or HA licenses

Figure 13: Data from Structured Interviews from Service Users across Different Types of Licenses

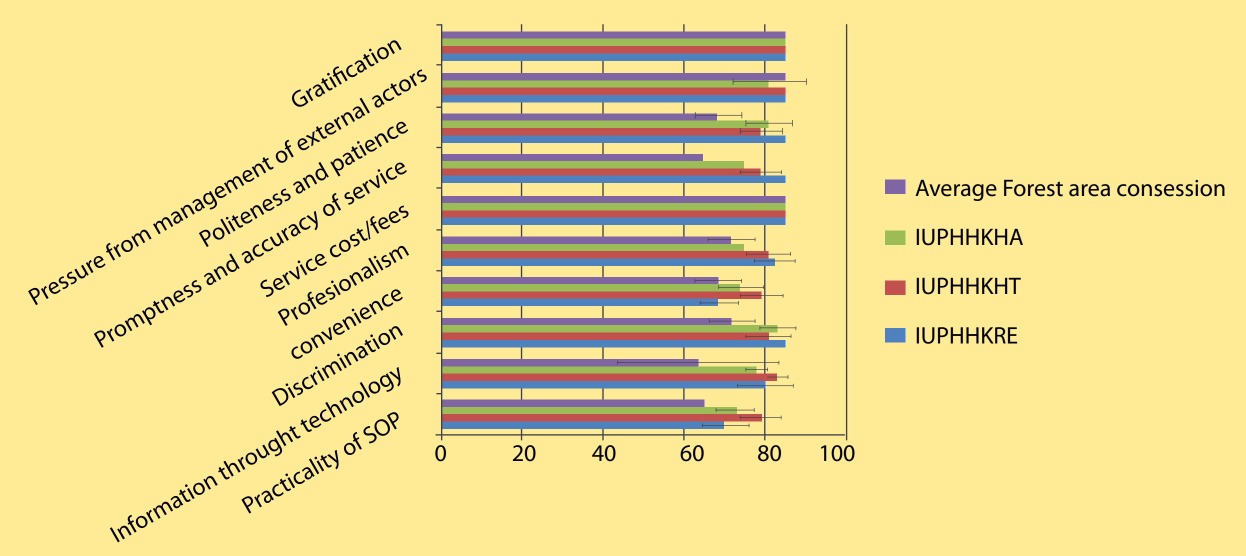


The analysis of perceptions between staff, consultants and executives did not highlight any marked difference.

Service Providers

When looking at the data from service providers using the written questionnaire, some differences emerge, as seen in Figure 14.

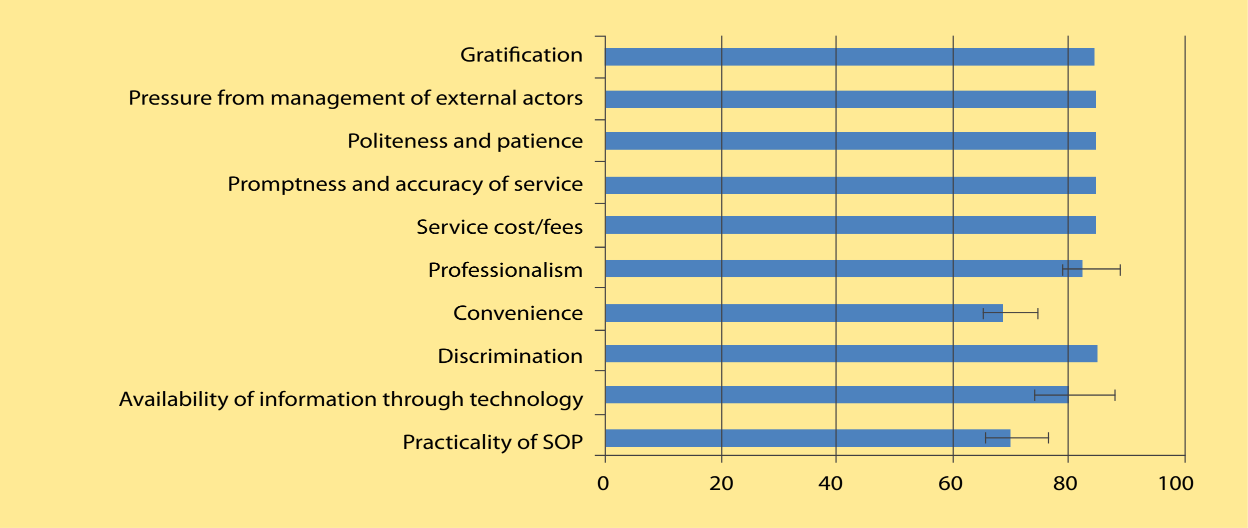
Figure 14: Data from Written Questionnaire from Service Provides Across Different Types of Licenses



Although small, the most notable differences are:

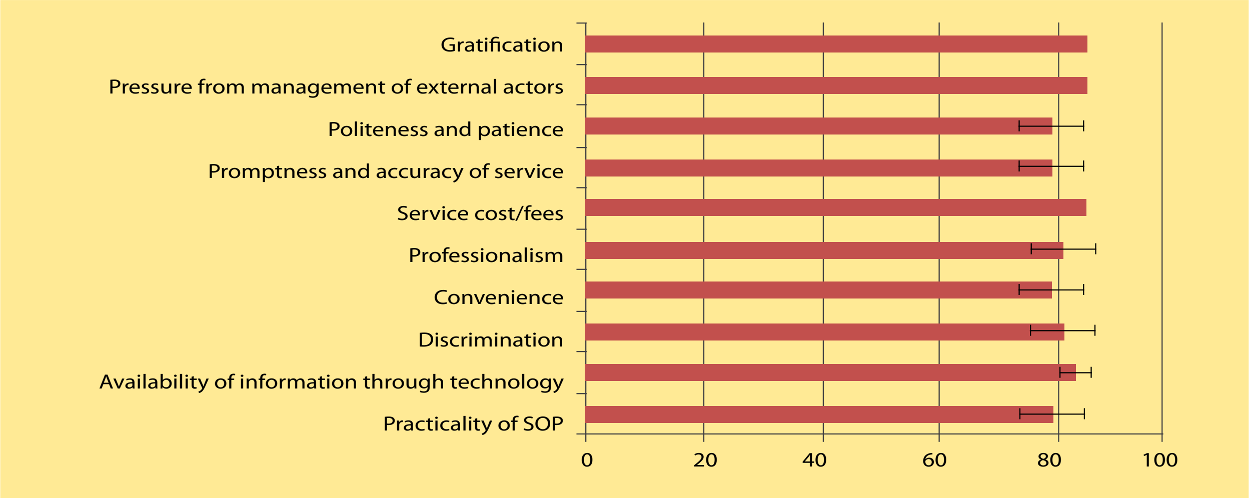
a. For RE (ecosystem restoration) licenses, Figure 15 shows that convenience and practicality of SOP score the lowest while discrimination, service costs, promptness & accuracy and politeness & patience rank the highest. This due to service providers giving higher scores to their own performance, while being more critical about what is provided by their administration.

Figure 15: Disaggregated Results for RE Licenses Obtained from Service Providers Through Written Questionnaires



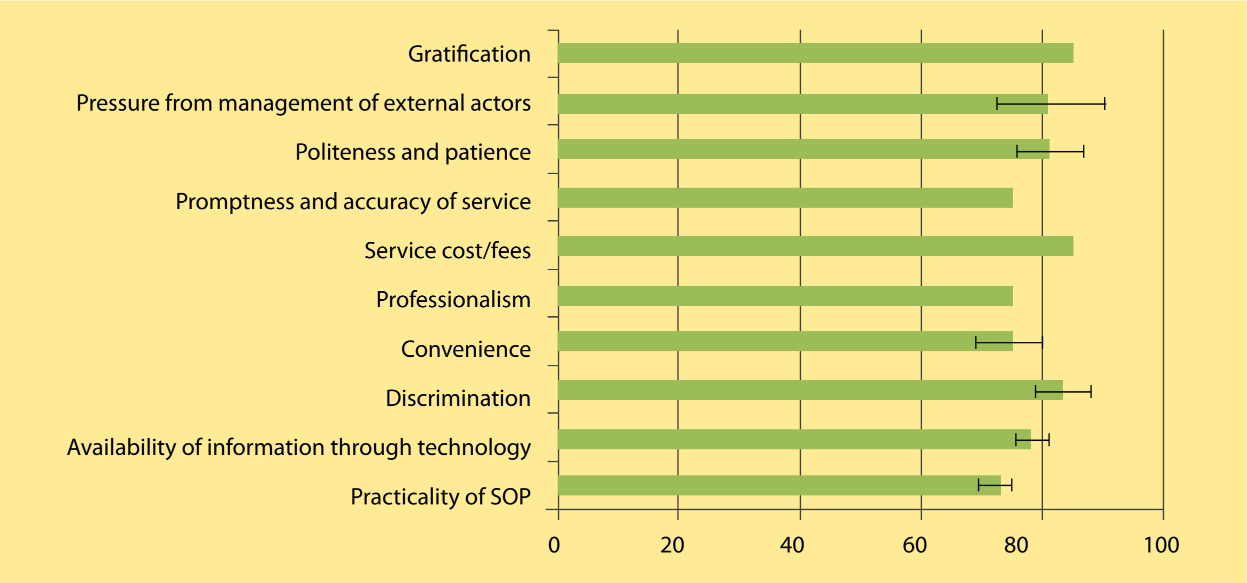
b. For HTI (industrial plantations) licenses, Figure 16 shows that variations are too large to large to conclude on any differences between indicators

Figure 16: Disaggregated Results for HTI (Industrial Plantation Forests) Licenses, Obtained from Service Providers with Written Questionnaires



c. For HA (natural forests) licenses, Figure 17 shows that practicality of SOP, convenience, and, more surprisingly here, professionalism and promptness of service score lowest.

Figure 17: Disaggregated Results for HA (Natural Forests) Licenses, Obtained from Service Providers with Written Questionnaire



With regard to the structured interview methodology, only data collected for forest area concession was gathered in sufficient numbers (see figures 18 and 19 below). Here statistically significant differences emerge. The most notable is for **service costs and fees, which ranks low compared to all other indicators in the structured interviews** but relatively high in the written questionnaire.

Figure 18: Disaggregated Results for Forest Area Concession, Obtained from Service Providers through Written Questionnaires

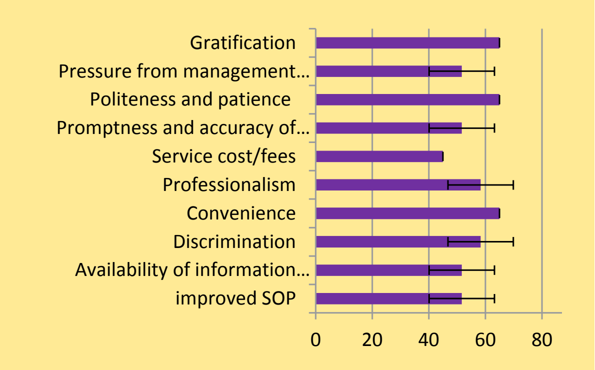
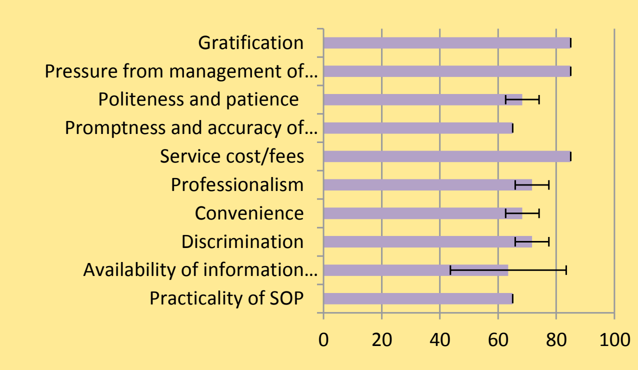


Figure 19: Disaggregated Results for Forest Area Concession Licenses, Obtained from Service Providers through Structured Interviews



Areas of Convergence Between Service Users and Service Providers

Looking into areas of convergence between service users and service providers disaggregated by type of licenses, the only two datasets that can be compared are for natural forests (HA, figures 11 and 17) and forest area concessions (figures 10 and 18). In addition, only a few question bear on the exact same topics, i.e. access to information, gratification, and timeliness:

a. For HA permits, timeliness (promptness of service) is an area of common concern for both license users and providers

b. For Forest Area Concession licenses, costs and fees seem to be a common concern of both service users and providers.

3.7 Differences in Perception Per Location

To examine variations in scores according to where license users are domiciled, we only analyze here the results for the regions with the most respondents, in order to avoid drawing conclusions based on only one or two respondents. As was shown in Figure 2 above, the majority of service users respondents were from West Kalimantan, South Sumatera, East Kalimantan and Riau.

When disaggregated by location, statistically significant differences emerged. The most significant are:

a. **Timeliness** receives a statistically significant higher score for licenses in West Kalimantan than in East Kalimantan

b. **Opportunities for feedback** receives a statistically higher score in West Kalimantan than in Riau

c. **Face to face interactions** receive a statistically higher score in West Kalimantan than in Riau

d. **Scores in general** in West Kalimantan tends to be a bit higher than those in Riau, but the differences are small due to large deviations among user responses.

3.8 Qualitative Information Obtained from Respondents

The data above has highlighted a number of issues, expressed by both service providers and users of the online licensing service. All of this reflects why the satisfaction index of service users is still lower than this expressed by service providers, despite the many improvement efforts already undertaken by the Ministry of Forestry.

Ease of Use of Online Licensing

The service providers expressed that online licensing looks easy, but that implementation is in reality very complex. It was described as such because of its several stages. It must first be initiated with a licensing process in the regions (district/ city/ province) that involve many agencies in charge of the environment, forestry, land management, disturbance permit, and others. Processing the license requirements in provinces, districts and cities, the flow of communication and coordination between government working units, such as the one-door licensing service unit, the forestry service, and the Environmental Agency is strongly needed. If it pertains to mining, it would involve the local Mining Services.

At the central government level, the assessment, analysis and study of licensing required documents is performed by a team whose members comprise of relevant directorates. In order to ensure the continuity of the assessment, evaluation and examination of these required licensing documents, adequate human resource must be made available, both in terms quantity and quality, as well as sufficient funds needed to facilitate the study need to be ensured following the standard regulated time.

The main issue is the compliance to the regulated time in processing the licenses. According to existing regulations, the time for all licensing process stages has been regulated. However, at the decision-making stage at the echelon I and ministerial level, the times often exceed those established in the SOP. This excess of time for decision-making at the Echelon I and Ministerial levels is confirmed by the service users. While there are a number of reasons why Echelon I and Minister cannot complete the licenses in time However, these reasons are often not known to the service users.

As a result, service users consider that the online licensing process has only made the process easier in the first steps, when the documents are filed. In other words, the old licensing practices still occur when licensing service users have to attend to the process from one licensing stage to another.

High Cost Economy

Despite the added transparency and facilities put in place, informal costs in the licensing process are still borne by service users. According to them, the higher the office the more unofficial costs are imposed. For example, respondents have noted that owners would have to give IDR 1 billion to IDR 3 billion (and sometimes even more) in order for the license to be issued.

Another observed modus operandi is a person claiming to be close to the leadership and is able to arrange things for the user, calling the license service user to solicit a “reward” with a certain amount of time before the license document is provided. From these practices, service users highlighted that there is a direct correlation between paying such reward and the time it takes to produce a license. If the “reward” is given, the licensing process can proceed faster. However, if they do not make any contact, especially if they openly refuse to give such “reward”, the license may not just be delayed, but never issued.

Transparency of Information and Use of Technology

According to license service providers, only a small part of the online licensing has been put online and therefore does not achieve full transparency. Some of the licensing stages conducted online include registration of the license application, as well as information about the progress of the license filing. After the applicant registers the application, he will get a username and password after meeting the requirements for the license. The document review and analysis process is not communicated directly to the service user, but only at the conclusion of the process is the service user online. In effect, the service user is never aware of the 'journey' of the documents online.

License service users agreed and also deemed that transparency has not been fully applied. As an example, service users only receive information whether or not the requested license proposal has been accepted or are asked to complete the files. Service users cannot see the outcomes of each review, from the licensing window until the outcome of the minister's approval. Each desk has a checklist and indicators that are used to provide a decision towards approval or rejection. Users have proposed that if each of the decision was uploaded onto the online licensing system, each user would be able to understand the reasons behind rejections, approval or when they are asked for additional requirements. This can also limit the officials from misusing their powers.

Discrimination in the Provision of Licensing Service

The licensing service providers observed that certain licensing service users who are familiar and have often engaged in the process **have access to meet and influence the licensing process directly**. As a result, these users get information more quickly and do not follow the appropriate procedures. This fact is corroborated by service users themselves, who have admitted benefiting from rogue elements among the licensing service providers who have influenced or accelerated the licensing process.

That way, certain service users obtain quicker service compared to those who do not have such access to service providers. **This is true particularly for licensing service users from large-scale corporations**. According to users' testimonies, the meeting frequency between users and providers is quite high. Thus, the online licensing system's original goal to avoid discrimination and treat every license application with the same diligence is not achieved.

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Professionalism of Online Licensing Service Officers

The licensing service providers highlighted that professionalism ranging from document reviewers to decision makers still needs to be improved. While service users acknowledged that professionalism is increasingly exhibited at the front desk, they also noted that front desk personnel should be better equipped with technical knowledge related to licensing. Indeed, front desk officers should have not only be able to check whether the applications are complete, but also to provide other technical information, related for example to the substance of regulation regarding forest land use, utilization and concession of forest lands, and so forth.

Both service users and providers observed a lack of professionalism of licensing service providers characterized by officers in charge of reviewing documents that often do other work, are on out-of-town duty and **are highly dependent on instructions from superiors**. Two related issues that need to be improved: 1) capacity and neglect of duty and 2) independency of the document reviewers, who receive instructions from their superiors, which allow strong conflicts of interest during the licensing process. Regarding to the latter, this echoes responses to the question about "Pressure from above", in response to the question "Have you received or felt pressure from your management or external actors to grant a permit when your professional conscience dictated that it should not be granted? ". As explained by service users, even though the improvement to the integrity of the Ministry of Forestry civilian apparatus has been ongoing, corrupt behavior cannot yet be fully eradicated. People who are not from Ministry of Forestry are often found to be on the premises of the Ministry of Forestry office and use their proximity with the rogue elements that provide their services to service users with a certain fee as a reward for expediting a certain license. Conversely, the service users also solicit the services of these individuals, paying a certain amount.

Licensing Application Promptness

Service users have repeatedly stated that licensing service unit officers have not been processing the licenses quickly because there are a lot of processes that they must go through. Although it is called one-stop, the Ministry of Forestry online licensing system still processes the application at each working units at the relevant Echelon I unit, giving the impression that any application still has to pass through many desks. On top of that, users must still process other permits, both in regions such as reviews from districts and recommendations from provinces as well as other permits such as the environmental permit. Service providers highlighted the slowness of the process at Echelon II and above and the lack of effective mechanisms to remind the Director Generals and the Minister if they have exceeded the regulated time. Another matter also observed by service users that the number of license service providers is also still limited and they must still perform other tasks and functions.

As an illustration, this study collected data and information about the time it takes to process a license.

a. **District**: The processing at the district level to obtain an Annual Working Plan (RKT) recommendation and the complementing Business Plan (RKU) material require on average three months. Meanwhile, a new application or an extension of IUPHHK-Natural Forest and Plantation Forest require 1.5 to 2 years, beginning from getting a bupati recommendation until the issuance of an IUPHHK decision. The application at the district level for loan-and-use *(pinjam pakai)* license and forest area concession vary widely, especially if the applied area does not yet have a clean and clear status. The time needed for all of the stages is between 1 and 1.5 years.

b. **Province** : at the provincial level, the issuance of recommendation for the four types of licenses depend on the clarity that the area does not overlap with other interests, as well as the political orientation in the province and the community where the location license is located. The completion of such a license takes between 2.5 and 3 years if the impacted communities are constituents of the elite.

c. **Central level**: For the central level, the time needed to complete the four types of licenses (IUPHHK HA, HT, *pinjam pakai* and area concession) is between 6 months and one year.

Mechanism for Suggestions and Complaints

While service users acknowledged that the complaints mechanism is relatively accessible, they highlighted the need for a better follow up of suggestions and complaints that have been lodged. Indeed, they noted that the follow up and complaint handling, when they happen at all, remain slow. Service users highlighted that their most common complaints relates to the length of time and large additional licensing costs levied, but that despite the complaints mechanism they have seen no improvement in that regard.

3.9 Results of Regulations Analysis

The low satisfaction index of online licensing service users in the forestry sector and the continued appearance of the six main issues referred to in section 2.5 is related to the quality of the substance of regulations that regulate licensing in the forestry sector. The results of analysis show that the quality of existing regulations still needs to be improved so that the necessary conditions to meet good licensing governance can be fulfilled.

Regulation on Oversight - The analysis of regulations regarding forest land use, forest concessions and utilization of forest lands shows transparency of licensing information, particularly openness to the public about the stages and outcomes of each of the stages, is not specifically regulated. The consequences are that oversight of the time it takes to obtain a permit, of responsible units, of official fees and of supervision of the licensing process cannot proceed effectively.

Sanctions against Direct Interactions - Each of the regulations that regulate the license for forest use, concession, and utilization are yet to regulate professionalism and ethics of the licensing service providers. As an example, sanctions for licensing service providers who request face-to-face interaction with service users, or who meet outside of the available consultation room, have not been strictly regulated. Similarly, sanctions against service users who request face-to-face interaction with service providers or attempt to approach them are also not regulated. Meanwhile, other statutory laws also have not strictly and directly regulated sanctions for licensing service providers for violations of ethics. The existing regulations are still too general, so they cannot be used to complement the special regulations. As a result, direct interactions still occur often between service providers and service users, which increase the chances for bribery and service discrimination.

Monitoring of Improvements - Regulations regarding special licenses for use, concession and utilization of forest areas have not yet regulated about efforts for a continual improvement to the system and implementation. Such efforts can be done if the evaluation of service user satisfaction and transparency and accountability audit for the forestry licensing system is implemented periodically by an independent party. The absence of such audit affects the motivation of service provider which needs continuous improvement based on results of evaluation and audit.

Regulations on Follow-Up of Complaints- The regulations on use, utilization, and concession of forest areas do not provide for a complaint mechanism. As a result, although a complaints mechanism exists, the complainants should be able to track down the progress of their complaint handling by each of the units. As a result of this lack of expressed regulation, complaints lodged by users cannot be responded properly.

Based on the analysis carried out on number of similar laws, there is a gap between one regulation and another. However, the actual fundamental issue is not on policy implementation, but on several regulations that have not regulated several aspects of the set instruments and indicators. As a result, the regulations have not been able to improve the quality of policy implementation in accordance with what is expected by the service users. Ideally, the provisions of the law must also be able to address and fulfill all of the instruments and indicators that have the effect of improving governance.

Conclusions and Recommendations

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CONCLUSIONS

One the substance of the findings, the performance evaluation of the online, one-stop and integrated licensing service of the Ministry of Forestry shows that the expectations of service users have not all been met: **Timeliness of the service provider needs improvement and the unofficial fees that** service users have to pay are the issues of most concern regardless of the methodology that was used. Service providers corroborated the issue of unofficial fees in at least one location where sufficient data was gathered.

In addition, **access to information online, independency of service providers from their supervisors** and **favorable treatments for better-connected large scale companies** are also identified as aspects to be addressed. These issues are compounded by an overall lack of regulations regarding oversight, sanctions for corrupt behavior, and follow up to complaints.

Conversely, **service users are more satisfied about the overall convenience of the facilities and the availability of a complaints mechanism**, with reservations however on follow-up.

These trends and the many items that need improvement are consistent across different service user professions. Indeed, company employees, consultants and company executives applying for licenses provided similar scores. The levels of satisfaction among service users are more or less similar across the four types of licenses, as well as across locations.

The online licensing system should be the first stage for the one-stop, integrated, and multiple-roof forestry licensing system reform. The fact that this licensing system has not been effective has impacts on at least two matters: (1) **Public (customer) distrust to forestry licensing reform, and (2) Disincentive for efforts to reform the licensing system in particular and forestry governance in general**. A wider implication is the tendency for service users to feel comfortable with the "business as usual" process, which means a failure to educate the public to participate in encouraging a more transparent licensing process and prevent high cost economy.

In the context of an economic system, the policy of providing license for managing forestry resource, which is a public good, is intended to allocate forestry resource to promote public welfare to the greatest extent. An effective licensing service will stimulate investment and promote working capital expenditure. It will further income on from that investment, which will be used for sharing profits to shareholders, consumption and reinvestment. The state will collect taxes, which in turn will be used as government expenditure to improve the quality of public services, such as infrastructure, education, and health.

Specifically, slow forestry licensing service means a lost opportunity to manage and use idle forest areas (unmanaged/unlicensed), that currently totals 14 million hectare. These idle forest areas will give rise to illegal forest management, conflict between sectors and social conflicts, forest encroachment and forest fires, which has the potential to increase the rate of deforestation and forest degradation. Ultimately, the state will lose revenue potential (from tax and non-tax sources), and the society will not get significant benefits from such large forestry resource potential.

Due to its large and wide implication for REDD+, it is imperative that all parties, in particular the government, improve the forestry licensing service system towards a solid licensing system where all working units are integrated, including those of the central, provincial, as well as district/city governments. It is hoped that with better licensing, efficiency in the forestry sector can be achieved in order to ensure the sustainability of the forest and the government is able to fulfill its emission reduction commitment from the forestry and peatland sector.

RECOMMENDATIONS

To make improvements on the above aspects, the proposed policy improvement is as follows:

1) **The decision-making process for the license application shall remain within the environs of the government (Central-Regional) and shall not involve the applicant. This means that regardless of the location of the license, the process of recommendation shall be provided and executed by the Government-Regional Governments without involving the applicant**. Operationally, this entails that the license can be given if the location in the field is in the area of the Forest Management Unit (KPH) and it has been allocated by the KPH for licensing according the KPH long-term plan.

2) The improved integrated online system needs to ensure that information regarding the process at every stage of the licensing can be consulted by the public, so that both the service user (applicant) and the public can monitor it. In addition, **a public consultation window needs to be opened in order to collect public opinion regarding the ongoing licensing process**, as well as suggestions, complaints and grievance from service users that can be used for two-way communication regarding the licensing service being processed. This system for feedback shall be integrated with the online licensing system

3) The online licensing system needs to be **linked with the official appointment system that puts forth competence, integrity, and wealth examination of all personnel involved in the licensing process**, i.e. from the officer manning the windows all the way to those who provide technical advice and allocate licenses.

No matter how good an online licensing system is, if it is not equipped with the right personnel with high integrity – and appropriate sanctions if and when such integrity is not displayed- the main thesis of an online licensing system that is fast, affordable, non-discriminatory and efficient can never be realized properly.

4) To apply the principle of information openness, accountability, impartiality, non-discrimination and efficiency for all licensing regulation formation and implementation, **a code of ethics for all officials that pertain directly to licensing could be elaborated**. In addition, strengthening the online licensing system could occur through **linkages with existing anti-corruption mechanisms**, for instance through the implementation of the Multiparty Memorandum of Understanding agenda of 12 ministries and agencies that is being coordinated by KPK. This study can be used by KPK as an evaluation material to improve the online licensing system. In that regard, sanctions or legal action pursuant to statutory laws can be applied for service users who attempt to bribe officials or give promises to officials for the service given.

5) To make changes to the licensing regulations, **consolidate and manage licensing data down to the regional level towards an integrated online licensing system across levels**, and make improvements to the organizational structure as well as bureaucratic reforms as a provider of public services according to the above principles. Provide training for all licensing service officers, including officers at counters as well as those that process the applications. **Such training, in addition to be given to officers of the Ministry of Forestry, shall also be given to the Provincial, District and City Forestry Service officers**. In addition to that, there needs to be an incentive system in place for highly dedicated officers, and stringent disincentives for service officers who are not professionals, even more so who engage in transactions for the licensing services provided.

6) To continue undertaking such evaluation on regular basis **to identify improvements or declines of indicators over time**. When doing so, attention should be paid to methodological issues in order to avoid large variations. It is highly recommended that :

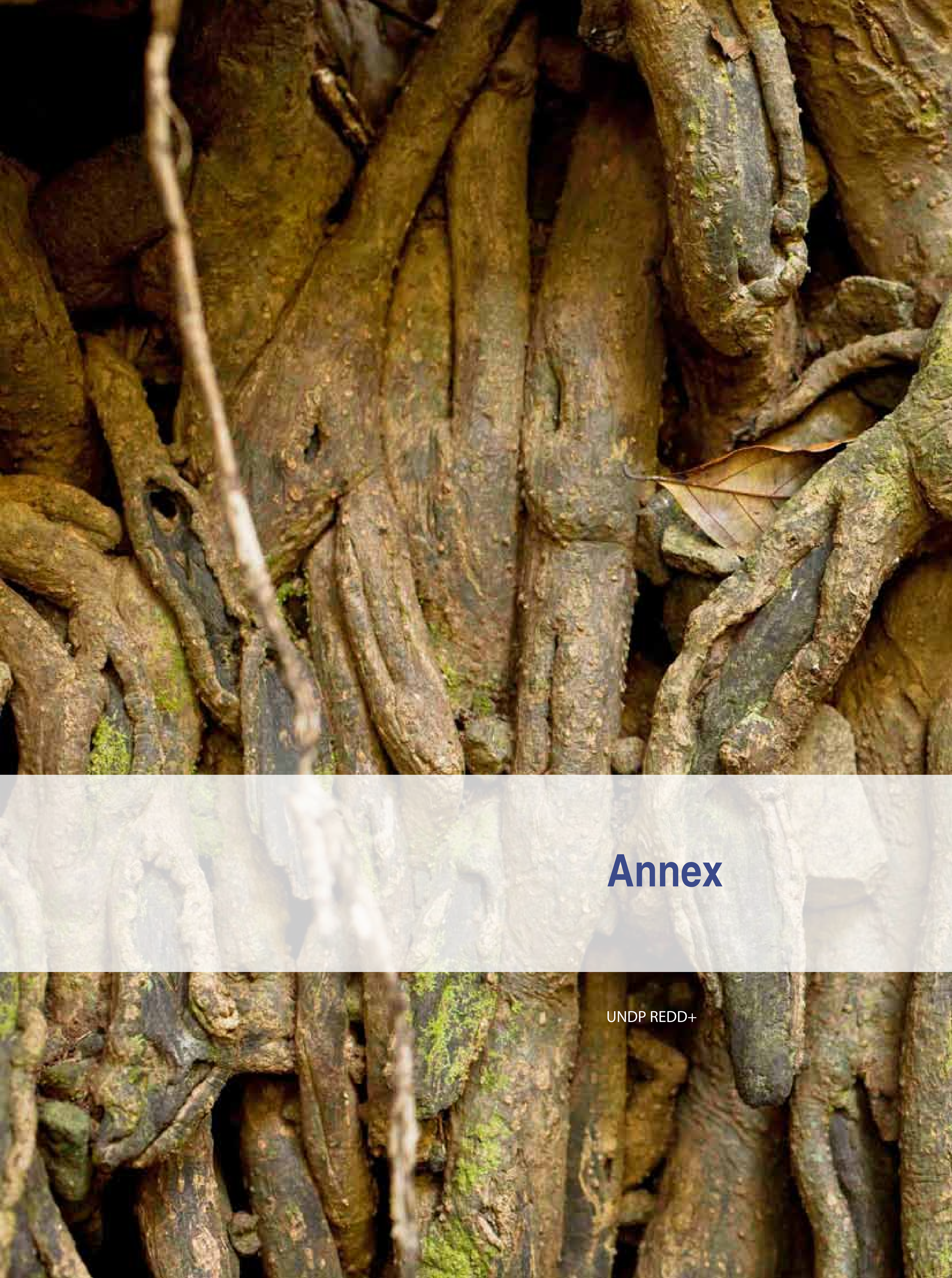
   a. questionnaires are filled in total anonymity (for example online instead of through written forms handed out to the data collector) to ensure that respondents are confident that their responses will not be used against them

   b. sample sizes are increased, especially for service providers respondents, in order to collect sufficient data to be able to witness statistical significance

   c. interviews are conducted in a manner that reduces subjectivity

   d. qualitative data continues to be collected, as it provides very valuable insights to complement numerical values

   e. close attention continues to be paid to statistical significance of the results, especially through the usage of standard deviations.



Annex

UNDP REDD+

Annex 1:
BUREAUCRATIC REFORM

Bureaucratic reform as stipulated in the Presidential Regulation Number 81 of 2010 regarding the 2010-2015 Bureaucratic Reform Grand Design was prepared to accelerate the implementation of good governance at all levels of government, including central, provincial, as well as district/city governments. Since then, many changes have taken place and have pushed the implementation of the first wave of reforms.

In the first wave of reforms, the focus was the very fundamental effort to eradicate corruption, collusion, and nepotism in various sectors, as well as to enact bureaucratic reforms with an emphasis on creating a transparent, accountable, clean, and responsible bureaucratic culture, and becoming a good servant of the state and the public. This first wave of reforms took into account the fact that bureaucratic reforms have been lagging behind reforms in the political, economic, and legal sectors. To that end, in 2004, the government reaffirmed the importance of applying the principles of clean administration, as well as principles of good governance.

The Indonesian government posits that the application of these principles allow public services to be provided with excellence. In order to achieve such levels of excellence in public services, the main program has been to build a state apparatus through bureaucratic reforms that started effectively in 2004.

The Bureaucratic Reform Grand Design intends for all government working units, including the Central Government, Provincial Government, and District/City Government, to commit to a bureaucratic reform process. The intention is for, all government working units to have the power to start the bureaucratic reform process by 2014, in order to realize a high-integrity and professional bureacuratic administration by 2025.

The 2010-2015 Bureaucratic Reform Grand Design was elaborated in detail in the 2010-2014 Bureaucratic Reform Road Map pursuant to the Minister of State Apparatus Utilization and Bureaucratic Reform Regulation number 20 of 2010. This road map is intended to provide direction and reference for all government working units to execute bureaucratic reforms in their respective sectors.

The Bureaucratic Reform Road Map of 2010-2014 stipulated nine areas of change, namely: Management of change; Systemization of statutory laws; Systemization and strengthening of the organization; Systemization of governance; Systemization of the human resource management system; Strengthening of supervision; Strengthening work accountability; Enhancing public service quality; and Monitoring, evaluation, and reporting.

In the implementing the 2012-2014 bureaucratic reform road map, each of the change areas are interrelated and are mutually supporting, except for the first area of change, Change Management. Change management is management of fundamental matters, such as the mindset and bureaucratic culture. Mindset change and working culture will serve as the bases for changes in other areas of change. That way, in Bureaucratic Reform, activities considered as part of change management must be the first targets to be fixed, as they will serve as the basis for other changes.

Annex 2:

BUREAUCRATIC REFORM OF THE MINISTRY OF FORESTRY

Based on the 2010-2015 Bureaucratic Reform Grand Design and the 2010-2014 Bureaucratic Reform Road Map, the Ministry of Forestry prepared the Ministry of Forestry 2011-2014 Bureaucratic Reform Road Map and Ministry of Forestry Management of Change.

In the Ministry of Forestry Bureaucratic Reform Road Map, the key activity in the area of change relates to public services, particularly licensing services under the scope of the Ministry of Forestry. Activities considered to be Quick Wins, i.e. those that are scheduled to be completed within one year, include improvements to four licensing systems much needed by the public and the business sector. These include, first, the licensing system for utilization of timber in natural and plantation forests; second, the licensing system for utilization of timber in plantation forests; third, licensing system related to forest area loan-and-use license for various purposes; and fourth, convertible production forest concession license for plantation and settlement purposes.

Furthermore, within two years 12 licensing systems must be improved; within three years six additional types of licenses must be perfected: . Thus, by the end of 2014, 22 types of licensing processes should be improved. Table 1 presents the activity types included as Quick Wins, Short Term (2 years), and Medium Term (3 years).

Table 1: Activity Types for Systemization of Ministry of Forestry Licensing Systems

No.	Activity	Es. I
QW1	Systemization of the Information System for Natural Forest Timber Utilization License	BUK
QW2	Systemization of the Information System for Plantation Forest Timber Utilization License	BUK
QW3	Systemization of the Information System for Forest Land Use License with Compensation to Pay PNBP for Forest Land Use	Plano
QW4	Systemization of the Information System for Forest Concessions for Plantation Cultivation	Plano
ST1	Acceleration of Certification Process for Seed Source Quality and Forest Plants Seedlings	PDAS
ST2	Improvements to Community Forest Working Area Setting	PDAS
ST3	Acceleration of Village Forest Working Area Setting	PDAS
ST4	Simplification of Forest Product Primary Industry Permit	BUK
ST5	Improvements to People's Plantation Forest (HTR) Reservation Area	BUK
ST6	Systematization of Permits for Natural Tourism Service and Facilities Provision (IUPJSWA) in Protected Forests	PHKA
ST7	Systematization of Permits for Natural Tourism Service and Facilities Provision (IUPJSWA) in KSA and KPA	PHKA
ST8	Systematization of Permits for Utilization of Aquatic Environment Services in KSA and KPA	PHKA
ST9	Regulation of Loaning System for Wild Protected Animals Abroad for Conservation Purposes (Conservation Loan)	PHKA
ST10	Simplification of Protected Plants and Wild Animals Display System	PHKA
ST11	Improvements to Conservation Institution Regulation	PHKA
ST12	Simplification to the Exchange System for Types of Protected Plants and Animals with Foreign Conservation Institutions	PHKA
MT1	Simplification of Community Forest Timber Utilization License	PDAS
MT2	Simplification of Village Forest Timber Forest Products Utilization	PDAS
MT3	Systematization of Geothermal Service and Environment Utilization License at KSA and KPA	PHKA
MT4	Acceleration of Permits for Taking or Capturing and Distribution of Wild Plants and Animals	PHKA
MT5	Drafting of a Mechanism for Procedures to Obtain Protected TSL and or Inclusion in Appendix I of CITES Originating from Conservation Institutions	PHKA
MT6	Improvements to Employee Performance Assessment System	SETJEN

Remarks: QW = Quick Wins

ST = Short Term (2 years)

MT = Medium Term (3 years)

Annex 3:

MINISTRY OF FORESTRY LICENSING SERVICE REFORM

Reform of the licensing service in the Ministry of Forestry has been undertaken through various means and approaches. These include:

- developing and improving the statutory laws that regulate the licensing service,
- providing facilities,
- providing service personnel,
- monitoring to ensure that all parties, both service users as well as providers, use the systems and facilities that have been made available.

Statutory Laws

Improvements in the licensing service are done by improving the statutory laws serving as the basis for organizing the relevant licenses. Such improvements are conducted in order to clarify the procedures and requirements of the licensing, expedite the processing time needed at every step of licensing, minimize the costs paid by the service users, as well as enhance controls for all phases of the licensing process.

Procedures, including mechanisms and rules, as well as requirements and costs that are needed to obtain licenses shall be clarified by providing adequate information to the public at large. The licensing information presentation format can be delivered by various means, such as a list of licensing process stages, from lodging the license application until the license is issue, in the form of a flow chart. The information can be presented in various forms, such as by a banner or poster displayed in the licensing service room, booklets, and leaflets. The information is also presented on a forestry information system accessible to the public from all over Indonesia through the licensing portal at www.dephut.go.id.

Overall, the time to process a license has clarified, and the process of each licensing stage shall be assigned a specific time to complete. For example, the Forest Timber Utilization License is regulated by Ministry of Forestry Regulation Number P.31/Menhut-II/2014 regarding Procedures for Provision and Expansion of Working Area of the License for Timber Forest Product Utilization in Natural Forests, License for Timber Forest Products Utilization in Ecosystem Restoration, or License for Industrial Forest Product Utilization in Production Forests. Thus, improvements to this licensing system have been done twice in the course of two years.

Improvements to the regulation are intended to facilitate the process to secure business licenses. This is done by clarifying some of the process phases, so that the total time to complete the licensing to obtain the Forest Product Utilization License would require at most 125 days for the process at the Ministry of Forestry and 210 days to complete the Environmental Impact Analysis (AMDAL) at the Provincial/District/City level.

The Ministry of Forestry Licensing Service Unit: A One Stop Service Facility

In order to implement the improved licensing system, the licensing a service facility serves as the entry point for all licenses in the lobby of the Ministry of Forestry office. This facility makes the licensing service a one-stop service because the licensing application and the licenses issued will enter and exit from this licensing door. In order to improve convenience for the licensing service users, the Ministry of Forestry office lobby provides adequate and comfortable facilities for waiting. In addition, the facility provides computers to the public.

Guests of the Ministry of Forestry are required to register first at the Information Center/Public Relations and wear a pass before entering the working space, and an officer would ensure that the person being visited is willing to receive the guest or otherwise. Pending the agreement of the visited person, the guest would then be allowed to enter the working room of the Ministry of Forestry. Such procedures are complemented with the presence of "Public Relations" officers, stationed in the lobby of the Ministry of Forestry office. The officers provide information about licensing service as well as information regarding the Ministry of Forestry in general.

Service users who are more comfortable with obtaining information through direct interaction can make use of the presence on site of information officers. If the service users desire a dialogue with the service providers regarding a licensing service, a special room for consultation is available. Efforts are made to match the officers' competencies to the matter of interest to the service user.

Before this licensing service reform, it was common to see service users freely going in and out of the working space. Thus, places related to license processing would be crowded by service users. Such a condition was not only disruptive to the exercise of duties, but also created wide opportunities for bribes and gratification.

In order to avoid face-time between service users and service providers, the service users are now asked to use the one-stop licensing service working unit. This prevents them from entering the office space where employees of the Ministry of Forestry are performing their duty.

Monitoring

In order to meet this time target, administration officers continually monitor the whole licensing process in all stages . The results of this monitoring serves as feedback for the leadership to take certain measures, so that all processes abide by the established procedures. The results of this monitoring would be informed to the public and can also be accessed in greater detail by the license applicant. That way, in addition to controls by the leadership, the public and the applicant can also monitor the licensing process.

Complaint facility is also provided rather adequately. The complaint facility provided is a complaint receiving officer who is also a licensing service officer, in addition a complaint box and a complaint portal that can be accessed at www.dephut.go.id.

Trainings

In addition to providing licensing facilities in the form of hardware, improvements in the quality of service provider officers are also undertaken through both technical and administrative trainings. They are informed with a code of conduct regulated by the Minister of Forestry Regulation Number 11 of 2011. They are also subject to sanctions for ethics violations regulated by Minister of Forestry Regulation Number 48 of 2011, and are bound by an oath to undertake Bureaucratic Reforms and corruption eradication.

Online System

In order to avoid personal interaction between service users and service providers and to eliminate the possibility for bribes and gratification, the licensing service system in the environs of the Ministry of Forestry is also offered online. Service users do not need to come to the Ministry of Forestry office, and simply need to file the license application through the online system, sending the required documents afterwards. Personal interaction between service users and service providers can still happen, but in a more limited fashion, if there is a need to clarify the authenticity of documents and for discussing the work plan.

The online system to serve Ministry of Forestry licensing service users began to be implemented on 1 January 2013. The one-stop service facility, called the Ministry of Forestry Licensing Service Unit, was inaugurated on 11 September 2013 by the Minister of Forestry with the attendance of various parties, such as the Head of the Corruption Eradication Commission, representatives from the Ministry of State Apparatus Utilization and Bureaucratic Reform, Business Associations in the environs of the Ministry of Forestry and Ministry of Forestry staff.

Changing Mindsets

However, all licensing service reform efforts would not function well without the mental and moral revolution of the state civilian apparatus, especially the highest decision makers and policy makers at all government working units.

This mental and moral revolution is conducted in order to change the mindset and working culture towards a better direction. A very fundamental notion is that state civil apparatus are not the ones to be served but they are the ones who must serve the public, and the highest leadership at each of the working units must be the example and movers of the Bureaucratic Reform and the moral and mental revolution.

i. Service procedures - simple service process;

ii. Terms of services - technical and administrative requirements necessary to obtain the services in accordance with the type of service;

iii. Certainty of service personnel - the existence and certainty of personnel who provide services (name, position and authority and responsibility);

iv. Discipline of service personnel - the seriousness of personnel in providing services primarily on the consistency of working hours according to applicable provisions;

v. The responsibility of service personnel - clear authority and responsibility to deliver services;

vi. The ability of service personnel - the level of expertise and skills of personnel in providing / delivering services to the public;

vii. Speed of service - the service can be completed within the time specified by the service provider;

viii. Non-discriminatory service - namely the service does not discriminate based on class/status of the public served;

ix. Courtesy of service personnel - the attitude and behavior of personnel in providing services to the public (polite, friendly and respectful);

x. Reasonableness of service cost – the public must be able to afford the cost set by the service unit;

xi. Certainty of service charge - conformity between fees paid to the cost that has been set;

xii. Service schedule certainty - service hours in accordance with the set provisions;

xiii. Comfort, the condition of facilities and infrastructure that is clean, neat, and organized so as to provide comfort to the recipient of the service; and

xiv. Security - guaranteeing the security of the service unit or the facilities used, so that people feel at ease to obtain the service.

List of Licenses Delegated by the Minister Environment and Forestry to BKPM.

Decree of Minister of Environment and Forestry No. P.97/2014		Decree of Minister of Forestry No. P.1/2015	
1	Timber Permit for Natural Forest (IUPHHK HA)	1	IUPHHK HA
2	Timber Permit for Industrial Plantation Forest (IUPHHK HTI)	2	IUPHHK HTI
3	Timber Permit for Ecosystem Restoration (IUPHHK RE)	3	IUPHHK RE
4	Non-timber Permit for Natural Forest (IUPHHBK HA)	4	Perpanjangan IUPHHK HA
5	Non-timber Permit for Plantation Forest (IUPHHBK HT)	5	IUP Penyerapan/Penyimpanan karbon pada HL
6	Timber Permit (IUPHHK) for Plantation Forest with Silvopasture System (THPB)	6	IUP Penyerapan/Penyimpanan karbon pada HP
7	IUP for Water and Water Energy at Protection Forest	7	IUIPHHK
8	Permit for Utilization of Water and Water Energy at Protection Forest	8	Izin Perluasan IUIPHHK
9	Business Permit (IUP) for Carbon Sequestration/Storage in Protection Forest	9	IUP Kawasan Silvopastura pada HP
10	Business Permit (IUP) for Carbon Sequestration/Storage in Production Forest	10	IPPKH
11	Environmental Services Permit (IUPJL) for Production Forest	11	Pelepasan Kawasan Hutan
12	IUP for Silvopasture Area in Production Forest	12	IU Penyediaan Sarana Wisata Alam
13	Permit for Plant Cultivation and Breeding at Production Forest	13	Izin LK
14	IPPKH	14	Izin Pengusahaan TB
15	Forest Area Conversion	15	Izin breeding loan

16	Land Swap	16	Izin Usaha Pemanfaatan Air dalam KK
17	Business Permit for Natural Tourism Facility	17	Izin Usaha Pemanfaatan Energi Air dalam KK
18	Business Permit for Natural Tourism Services		
19	Conservation Agency Permit		
20	Permit for Non-commercial Research on Wildlife		
21	Permit for Overseas Wildlife Exchange		
22	Hunting Park Business Permit		
23	Permit for Displaying Wildlife		
24	Permit for Wildlife Exchange		
25	Breeding Loan Permit		
26	Permit for Wildlife Breeding		
27	Izin memperoleh specimen TSL untuk LK		
28	Permit for Non-commercial Extraction/ Capture		
29	Permit for Commercial Extraction/Breeding		
30	Permit for Cultivation of Commercial Medicinal Plants		
31	Commercial Distribution Permit		
32	Non-commercial Distribution Permit		
33	Seed/Plant Export Permit		
34	Seed/plant Import Permit		
35	Environmental Permit		

Annex 4:

INDICATORS OF EACH ANALYTICAL INSTRUMENT FOR POLICY SUBSTANCE USED IN THIS STUDY

Analytical Instruments		Analysis Indicators
1	**Licensing information transparency**	• Easiness of getting licensing information – media used to deliver the information
		• Clarity of information provided, what is provided and what is not provided to the public
		• Accuracy and forms of responsibility
		• Official fees (state levies sanctioned by statutory laws) to obtain licenses
		• Units in charge of providing licensing information
		• Feedback mechanism, including grievances from the public regarding licensing information
		• Sanctions for Ministry of Forestry officers who have been negligent or fail to provide information to the public
		• Media used/chosen to deliver the licensing information
2	**Standard Operating Procedures (SOP) arrangements that have included elements into one licensing system**	• The time required for each stage of the license process that are processed within one working unit from documents that are lodged until the issuance of the license decree
		• Working unit responsible for the service at every stage of the process
		• Mechanism and sanctions if a deadline is not met
		• Mechanism for reporting results of every unit that pertain to licensing
		• Mechanism that provide for continuous improvements for the existing SOP

3	**Professionalism and ethics**	• Hospitability of licensing service officers • Professionalism of licensing service officers (professionalism is understood as: capable/competent/adept in doing his work, able and willing to work hard, compliance/loyalty to rules and norms/ethics, integrity, individual vision consistent with organizational vision, pride in the forestry corps, high commitment, well-motivated individuals) • Sanctions for officers who are not hospitable and not professional, and rewards for officers that are hospitable and professional • Improvement mechanism for public services (reflected from good grades in the 9 study variables used)
4	**Openness of the Ministry of Forestry to receive suggestions for improving online licensing services**	• Facilities to convey input/comments/suggestions/grievance • Mechanism for delivering inputs/opinions/suggestions/complaints • Standards of propriety of facilities and mechanism for delivering complaints/inputs/opinions/suggestions/grievances • Significance of the follow up to suggestions/inputs/complaints that is tangible or visible to the service users and the public
5	**Safeguards for preventing corruption in the licensing sector**	• Clear and transparent licensing service procedure to avoid corruption as much as possible • Official fees for all stages of online licensing service • Mechanism for paying the official online licensing service fees (cash/transfer and proof of payment) • Responsible working units in the process of paying online licensing fees • Sanctions for Ministry of Forestry officials committing crimes of corruption, such as solicitation of unofficial fees during one or all stages of the online licensing process • Sanctions for Ministry of Forestry officials who commit discrimination in the licensing service against service users, such as expediting a process for users who give additional incentive to officers • Internal supervision unit that works effectively • Giving the opportunity for control by outside parties (NGO/KPK/observer institutions and other anti-corruption activists)

6	**Ease of licensing process through the online system**	• The one-stop online licensing service procedure that is clear and understandable
		• Sanctions for Ministry of Forestry officials who commit discrimination in the licensing service against service users, such as expediting a process for users who give additional incentive to officers
7	**Supervision of online licensing process**	• Mechanism for supervision or monitoring of online licensing process by service users and other parties who are concerned about improving the quality of licensing service
		• Working units responsible for giving information regarding the progress of the licensing process to users
		• Facilities to perform supervision or monitoring of online licensing process by service users
		• Follow up of supervision results that is tangible to licensing users
8	**Satisfaction regarding of customers regarding online licensing service**	• Indicators of customer satisfaction for online licensing service
		• Evaluation mechanism for customer satisfaction for online licensing service
		• Continued improvement for level of satisfaction of service users
9	**Special complaint handling for licensing service**	• Mechanism for complaints regarding online licensing service
		• Facilities for complaints regarding online licensing service Assurance of confidentiality and security for service users making complaints
		• Significant follow up to complaint results

Annex 5:
CONCEPTUAL FRAMEWORK FOR AN IMPROVED LICENSING SERVICE

As per the mandate of the 1945 Constitution of the Republic of Indonesia, the state has the obligation to serve its citizens and residents in order to fulfill their basic rights and needs. In addition, every citzen and resident have the right to engage in business in various fields, and the state has the obligation to fulfill this right. The state implements these two obligations as the holder of the mandate for state administration in the context of serving the public.

In line with expectations and demands of all citizens and residents of the Indonesian nation [sic] for improvements to the quality of public services, public service administrators need to build public trust for the public service that they are performing. In addition, they need to affirm and clarify the rights and obligations of all citizens and residents of the Indonesian nation [sic] as well as other residents and affirm and clarify the responsibility of the government and corporations in admnistering public services. There needs to be a legal norm that regulates the rights and obligations of all parties.

The said legal norm must also regulate the efforts to promote quality and ensure the provision of public services according to principles of good governance[10], and to provide protection to all citizens and residents from misuse of power in the administration of public services, especially in the licensing sector.

Pursuant to the will of the society, the government of the Republic of Indonesia with the agreement of the People's Representative Council of the Republic of Indonesia on 18 July 2009 promulgated Law number 25 of 2009 regarding Public Services. This law serves as the platform and basis for the administration of all public services in various sectors.

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[10] Various national and international agencies have related principles of good governance, including participation, accountability, rule of law, transparency, responsiveness, consensus orientation, fairness, effectiveness and efficiency, strategic vision (UNDP, 1997); Aside from the above, Bappenas added: forward vision, liability, supremacy of law, democracy, professionalism and competence, democracy, partnership, commitment to reducing disparity, environment and fair markets.

Law number 25 of 2009 regarding public services provides clarity and regulation for all parties regarding public services. Matters regulated by the law include:

a. definitions and limitation of public services;

b. principles, objectives, and scope of public service administration;

c. patronage and organization of public services;

d. rights, obligations, and prohibitions for all relevant parties in the administration of public services;

e. the administrative aspect of public services including service standards, service announcements, information system, facilities and infrastructure, service fees/levies, complaint management, and performance assessment;

f. community participation;

g. complaint resolution in the administration of services; and

h. sanctions for every violation of public service commitment promised by the public service organizer or implementer.

Law number 25 of 2009 regarding public services could only be fully implemented after the issuance of Government Regulation Number 96 of 2012 regarding public service implementation[11]. This government regulation is the only government regulation to implement all mandates contained within Law number 25 of 2009. The substance of this government regulation includes the scope for service providers, integrated service system, guidelines for Service Standard design, access proportion and categories of Public groups in Levelled Service, and Public involvement in organizing Public Services.

Public Service Providers is every state administrative institution, corporations, including state-owned enterprises and/or region-owned enterprises, independent bodies, and other legal entities established solely for the purpose of providing Public Services pursuant to statutory laws. Other legal entities can be categorized as Public Service Providers if they perform a State Mission and have a certain cost size and a wide network.

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[11] Theoretically, public service standards shall at least include: obligatory service procedures including complaint handling procedures, regulated time for completion from filing until completion, service fees including the details established in the process of service provision, service products received according to established rules, adequate facilities and infrastructure, and competence of officers that must be properly set based on requisite knowledge, expertise, skills, attitude, and behavior.

In order to facilitate and expedite service delivery to the Public, public service providers may establish an integrated service system or a "one stop service". A service system essentially is intended to simplify a service mechanism so that the benefits are truly felt by the people. This means that this system is made available not only because statutory laws require so, but more because this integrated system can produce an easier, simpler, faster, more affordable, and orderly service in the administration of services[12] .

Law number 25 of 2009 regarding Public Services mandates that all Public Service Providers must prepare, and apply a Service Standard by involving the Public and Relevant Parties. Such a Service Standard is a measure that will be used as guidelines for the administration of services and as reference to judge the quality of services.

In addition to that, a Service Announcement must also be made available as an obligation and promise of the service provider to the Public to implement a Service Standard in order to achieve a quality, fast, easy, affordable, accessible and measurable service. The application of such Service Standard is intended a way to minimize deviations or degradation of performance in the administration of services.

In order to meet the Public demand as a result of economic progress and demands for more convenient service, public service Providers may provide levelled service by considering proportionality and Public needs, so as not to cause discrimination by upholding the principle of justice and not undermine the quality of service for the public in general.

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[12] Essentially, an integrated service system would include the following dimensions:
(i) Service procedures, namely, ease of stages of service provided to the public seen from the simplicity of the service flow; (ii) Service requirements, namely the technical and administrative requirements needed in order to get the service according to the type of service; (iii) Clarity of service officers, i.e. the presence and certainty of officers providing the service (name, posittion along with authority and responsibilities); (iv) Discipline of service officers, i.e. resolve of the officer in providing the service particularly consistency of working time according to applicable provisions; (v) Responsibility of the service officers, i.e. clarity of authorities and responsibilities of the officer in administering and completing the service; (vi) Capacity of the service officer, i.e. the expertise and skill level of the officer in providing/completing the service for the public; (vii) Promptness of service, i.e. the target time for the service to be completed within the time as regulated by the service administering unit; (viii) Fairness of service, i.e. delivery of service that does not discriminate based on class/status of the public being served; (ix) Hospitability of the service officer, i.e. attitude and conduct of the officer in providing service to the public with politeness and hospitality and mutual appreciation and respect; (x) Propriety of service fees, i.e. the affordability for the community to pay the fees established by the service unit; (xi) Certainty of service cost, i.e. matching between cost paid with the cost established; (xii) Certainty of service schedule, i.e. implementation of service that is in accordance with set provisions; (xiii) Convenience of the surroundings, i.e. the conditions of service facilities and infrastructure that should be clean, tidy, and orderly to create the feeling of comfort for service beneficiaries; and (xiv) Security of service, i.e. guarantees of the security of the service administering unit environment as well as facilities used so the public feels at peace in getting the service against risks caused by the implementation of service.

Public participation in the administration of Public Services is needed to ensure that Public Services are implemented transparently and accountably according to the needs and expectations of the public. Public participation does not only take the form of active participation in designing Service Standards, but also in the oversight and evaluation of standard application, performance evaluation and provisions of awards, as well as designing Public Service policy[13] .

In order to facilitate the creation of a proper and correct public service standard, the Ministry of State Apparatus Utilization and Bureaucratic Reform issued public service standard guidelines in the form of the Minister of State Apparatus Utilization and Bureaucratic Reform Regulation number 15 of 2014 regarding Public Service Standard Guideline.

The guideline affirms that all public service providers are required to produce public service standard as mandated by Law number 25 of 2009 regarding Public Services. In addition to that, public service standards are needed to provide certainty, increase quality and performance of services according to public needs and in line with the capacity of the administrator in order to secure public trust.

The public service standard comprises two components, namely the service delivery component and service creation component. The service delivery component needs to be discussed together with parties concerned especially the public service users. This component consists of:

a. Requirements that must be met by the service user

b. System, mechanism, and procedure that must be followed by service users in requesting the service

c. Service duration needed to respond to the service user

d. Cost/fees that are the responsibility of the service user

e. Service products

f. Complaint handling, suggestions and inputs from service users.

The management process component within the public service working unit must be built in such a way so that the service delivery standard that has been agreed by the parties can be fulfilled well. This component shall consist at least of:

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[13] Some of the aspects that must be fulfilled by public agencies in administering public services and achieving an optimal level of service user satisfaction are as follows: (i) Technical/technological/managerial aspects (ease of information and procedure, officer hospitality and professionalism); (ii) Transparency/accountability/political aspect (existence of unofficial fees and direct contact between service officers and service users, presence of service complain facilities); (iii) Professionalism/responsiveness aspect (timeliness of service, sensitivity to inputs, and satisfaction of service users).

a. The legal basis as the working foundation for the public service working unit

b. Facilities and infrastructure that need to be provided by the public service working unit

c. Competency of the organizers in the public service working unit

d. Internal controls to supervise the process at all stages of public service

e. The number of implementers needed to serve the service users well

f. Service guarantees promised by the public service working unit

g. Service security and safety guarantee given by the public service working unit

h. Performance evaluation of the public service implementer conducted periodically as an input for service improvement

In order to ensure that the service provided by the public service unit has been consistent with the applicable standards, a grievance, complaint and suggestion management facility need to made available, as well as a user satisfaction survey conducted periodically as feedback to improve public services provided by the public service working unit.

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