TOWARD JUST AND SUSTAINABLE FORESTRY IN INDONESIA

Lessons learned from MFP3 experience in supporting the MoEF (2014-2018)

Indonesia’s timber-legal-assurance system, the SVLK, and the massive social forestry programme are two of President Joko Widodo’s major forestry policies that have gained international attention.

The acceptance of SVLK as a mandatory certification process by the European Union in 2016 has transformed Indonesia from a country notorious for illegal logging into one of the world’s biggest exporters of legal timber and wood products. The success of the SVLK has been very much attributed to the multi-stakeholder process facilitated by the MFP3, involving representatives from the government, the private sector and the business community.

The MFP3 plays another important role in catalysing the shift of multi-stakeholder process in the social forestry programme and in the facilitation activities of 13 KPHs in different parts of the country. The MFP3’s main focus has been on increasing the capacity of KPHs while improving relations among all stakeholders. The KPH, as the lowest-level government institution, plays a major role in the success of the social forestry programme.

Readers will learn in this book about the journey of the SVLK to its current success and about stories concerning the social forestry programme from the eyes of multi-stakeholders as well as their contribution to the country’s global commitment to achieving its SDGs and mitigating climate change.
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Editors and writers:
Riyadi Suparno
Ati Nurbaiti

Writers:
Suraya Afiff
Hendarsyah Tarmizi
Evi Mariani
Fidelis Sastriastanti

Copy editor:
Hillary Michael Hagerty
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No one gets very far alone. Life is a team effort. That’s what we have learned from the success of our timber legality assurance system, called Sistem Verifikasi Legalitas Kayu (SVLK), which is the result of a multistakeholder process involving the government, the private sector and civil society.

Involving all the forestry stakeholders, facilitated by the Multistakeholder Forestry Programme (MFP), we have been able to adjust the SVLK in accordance with the strict requirements of the European Union’s Forest Law Enforcement, Governance and Trade (FLEGT) system, making Indonesia the first country in the world to issue FLEGT licences for timber products destined for the European market.

The FLEGT licences not only benefit our exporters of timber and wood products, but also strengthen our fight against illegal logging, which, along with land use change, is responsible for deforestation and forest degradation.
The government alone would not have been able to bring the SVLK to the current level. It is the result of hard work and long processes involving all the stakeholders. Efforts must continue towards sustainability among others regarding the capacity of stakeholders.

The confidence and spirit that we see in the faces of timber and furniture makers in various regions who have secured new domestic or export markets, signal to us that we are on the right track. We want to spread the same confidence and spirit to farmers and villagers around the forests through our massive social forestry programme.

With this massive programme, we enable the forestry and spread the spirit of collaboration of multistakeholder processes in the SVLK into social forestry.

Trust-building among various parties also gives us hope. The foresters on the ground have formed an association to share experiences including their efforts to bring together various interests. Challenges like illegal logging remain. And the foresters have convinced us that stronger communities are the key to halting this crime.

We hope many more young residents around forests will be inspired by some of their peers who have started local tourist businesses, for example, as they realise the potential of their beautiful surroundings. With only basic facilitation we have seen diverse community groups learning from others how to add value and secure markets for their natural riches.

When people make their living from their forests, and their welfare improves, they will protect their forests. In this way, they will contribute to our global commitment to achieving our Sustainable Development Goals and combating climate change.

Hopefully our hard-won and valuable lessons so far will continue to motivate fellow officials, communities and the business sector that changes for the better are possible through teamwork and shared interest among current and future generations.

Siti Nurbaya Bakar
For quite a long time, Indonesian wood products were improperly labelled as results of illegal logging. The stigma has now all gone with the strong presence of Indonesia’s own timber legality verification system, called Sistem Verifikasi Legalitas Kayu (SVLK) that guarantees the legality of wood products.

Initially designed to help combat illegal logging, SVLK has transformed into a globally recognised timber legality assurance system that complies with the European Union’s Forest Law Enforcement Governance and Trade (FLEGT). It means Indonesian wood products can enter Europe without going through the process of due diligence as required by the EU’s wood import regulation.

This unique certification method involves independent institutions and civil society groups in monitoring that ensures the credibility of the system. The certification applies to all players in the value chain of wood product trade, from the upstream where timber is harvested all the way to the downstream, covering all players – big and small – including furniture manufacturers.

The SVLK also promotes broader governance reforms in the forestry sector, such as transparency through improved information systems managed by the Ministry of Environment and Forestry, capacity building and recognition of community rights.

The system has been developed through multi-stakeholder processes involving representatives of the government, the private sector and the civil society. The UK-supported Multi-stakeholder Forestry Programme (MFP), which just completed its third phase, has been tirelessly facilitating these multi-stakeholder processes all along the way, balancing the interests of all the stakeholders.

This multi-stakeholder process is unique, putting the government on par with other stakeholders, and the result is fulfilling. All stakeholders have a strong ownership of this SVLK system.

As the executing agency of MFP3, the Directorate General of Sustainable Production Forest Management at the Ministry of Environment and Forestry recognises the importance of such multi-stakeholder processes especially during the negotiation with European Union on Voluntarily Partnership Agreement (VPA) on FLEGT.

MFP3 was especially instrumental in helping the Ministry in devising and improving regulations on
SVLK, the basis of VPA negotiations. With the multi-stakeholder processes, the regulations produced by the Ministry would consider the interests of all stakeholders, including small-scaled players, who would be otherwise side-lined in normal certification processes.

After the completion of the negotiation, MFP3 continues to manage the multi-stakeholder processes inside the Joint Implementing Committee (JIC) to ensure full implementation of the VPA that eventually won EU’s recognition of Indonesia’s SVLK as the basis for the timber legality assurance system under FLEGT-VPA. Indonesia became the first country in the world to issue FLEGT licenses for its timber products exported to the EU.

MFP3 has also assisted the Ministry reform its forestry information systems, to improve transparency and governance of Indonesia’s forestry management. Many of the improved information systems are related to the SVLK, including the Licensing Information Unit (SILK), the information system on sustainable forest management (SI-PHPL) and the Information System on Production Forest Management Unit (SI-KPHP).

We also recognise the important roles played by the MFP3 in engaging and assisting the many forestry stakeholders. MFP3, for example, engaged many civil society groups and improved their capacity to be independent monitoring in the SVLK system and assisted small-scale businesses to get SLK licensing. MFP3 has also worked with a number of local governments on how to improve transparency in their forest management. All these efforts help these stakeholders take their responsibility in pursuing good governance in forest management in the country.

One more notable role the MFP3 has played is their engaging 15 forestry units (KPHs) across the country. Assisting KPHs and improving their capacity is an important step to make a difference in the grass root level because KPH is the lowest-level government forestry institution serving the people in and around the forests.

Indonesia was known as a country notorious for illegal logging. Now it is one of the biggest exporters of legal timber and wood products. the result of participation and hard work by all stakeholders through the multi-stakeholder processes facilitated by the MFP. This achievement can hopefully be maintained by continuously practicing good governance in forest management.
INTRODUCTION

The Multistakeholder Forestry Programme phase 3 (MFP3) is a three-year bilateral project between the Indonesian government and the United Kingdom. The two countries’ implementation agencies for the project are Indonesia’s Ministry of Environment and Forestry and the Department for International Development (DFID) – United Kingdom Climate Change Unit. The overall goal of the MFP3 is to support Indonesia in achieving sustainable timber management, curbing illegal logging, and enhancing community-based management. This document aims to highlight some of the lessons learned from these three years.

The MFP3, like many development projects, should be viewed as a process, in which it is “important [to] shift away from the focus on project inputs and outputs and the assumed mechanical link between them” (Mosse, 1998: 3). Development action, as Mosse argues, “... is undeniably complex, often unpredictable and locally variable in its effects, and significantly
The beautiful scenery around the Mandi Angin Waterfall inside KPH Mukomuko, Bengkulu.
influenced by realms over which management has limited or no control (e.g. culture, politics, institutions, policies, costs or prices). Many planners know from experience that social and political relationships involved in development settings influence outcomes as much as carefully designed inputs." (p. 4-5).

Putting those perspectives into the MFP3 context, it means we have to understand the larger social, political and institutional forces that shape the successes or failures of the project output and outcomes. Not all of these social, political, and institutional contexts were imagined or predictable when the MFP3 project’s logical framework was designed. Therefore, one of our objectives in this introduction section of the MFP3 lessons-learned document is to discuss these larger social and political conditions that have shaped the trajectory of the MFP3 since the year of its implementation in 2014 toward the early part of 2018. However, before we go on to discuss those conditions, it would be good to set back a little bit to briefly describe the evolution of the MFP since it was started by the DFID in 2000.

Since 2000, the UK’s DFID has supported Indonesia in strengthening its governance within the forestry sector through the MFP. The first phase of the MFP or the MFP1 focused on poverty alleviation for people who make a living through the use of forestland and its resources. The MFP1 as a project, worked mostly with civil society groups that were concerned with the local and indigenous populations living inside and adjacent to state forest zones.

When Indonesia and the DFID reached agreement on the second phase of the MFP or the MFP2 in 2007, about the same time, Indonesia’s then Ministry of Forestry agreed to begin a negotiation process to discuss the Forest Law Enforcement, Governance and Trade - Voluntary Partnership Agreement (FLEGT-VPA) with the European Union. For this reason, there was a significant detour from the MFP1. While the MFP1 mostly focused on strengthening community-based forest management, the MFP2, on the other hand, focused on the Indonesian stakeholders’ efforts in the development of the Timber Legality Assurance System (SVLK). The MFP2’s main purpose was to facilitate the development of regulations and mechanisms to support the certification of Sustainable Management of Production Forest (PHPL) and the legality of timber products using SVLK scheme to promote the trade of Indonesian timber products.

The main difference from the previous program is that the MFP3 focuses on assisting the Indonesian government in implementing and improving the legal and technical effectiveness as well as market promotion and acceptance of the SVLK.

In April 2014, a third phase of MFP or the MFP3 was agreed upon through the signing of a letter of arrangement by the secretary-general of the Ministry of Forestry and the director general of the UK’s DFID. This phase sought to support the Indonesian government’s efforts to improve forest governance, as well as to support the successes of the previous phases of the program. The main difference from the previous program is that the MFP3 focuses on assisting the Indonesian government in implementing and improving the legal and technical effectiveness as
well as market promotion and acceptance of the SVLK. The MFP3 also strengthens the community-based forestry sector to complement corporate industrial forest production, providing greater security of tenure for communities living inside and adjacent to state forest zones, improving rural livelihoods, protecting forest ecosystems and the environment, and mitigating climate change. The MFP3 also supports the strengthening of independent forest monitoring as an important component of SVLK to ensure the credibility of certification process. The vision of the MFP3 program is the improved management of forests throughout Indonesia to reduce rural poverty, enhance biodiversity conservation and strengthen climate change mitigation.

The MFP3 started under the presidency of Susilo Bambang Yudhoyono. A change in government after the general election in 2014 had a significant impact on the way the MFP3 project was implemented. Newly elected President Joko “Jokowi” Widodo decided to merge the ministries of environment and forestry into one mega ministry, the Ministry of Environment and Forestry. This change left the MFP3 in limbo, even if for only a short time during the transition period.

The other challenge also came from a campaign by a small group of people. These individuals, who tried to take advantage of the political transition, lobbied the government to exempt them from the SVLK when they exported their products. This lobbying undermined the bilateral agreement that had been made through the long-term process and also threatened the chances of Indonesia becoming the first country in the world to get a FLEGT licence from the EU. This unexpected change in the political climate during the government transition hindered the MFP3’s support for the Indonesian government getting the FLEGT licence. It took a lot of effort for the MFP3 to ensure the different parties in the government, including the President himself, were confident enough in the plan to move forward with the bilateral dialogue to reach the agreement. All this work paid off when the EU finally agreed to grant Indonesia the FLEGT licence in September 2016.

While the government transition proved a major test for the MFP3, it also created new enthusiasm when the Jokowi administration’s policy corresponded with the objectives that the MFP3 was trying to achieve. Dealing with the forest tenure issues and efforts to increase local and indigenous communities’ access to forests were MFP3 objectives that had previously been seen as challenging issues at the beginning of the design phase of the project process. These issues, compared with supporting the SVLK and the VPA, were considered low government priorities at that time.

Informal institutions and personalised relationships are pervasive and powerful and can contribute to progressive outcomes in poor countries.

President Jokowi and Minister of Environment and Forestry Siti Nurbaya Bakar changed this picture in a big way. For the first time in the history of the Indonesian forestry sector, social forestry was put at the very top of government priorities. This political commitment was shown through the newly appointed director general of Social Forestry and Partnership within the Ministry of Environment and Forestry. Under the Jokowi government, through the leadership of Minister Siti Nurbaya, the MFP3 priorities of supporting forest access for communities, reducing land conflicts, promoting indigenous communities in managing their adat (traditional) forests, and enhancing community-based forest enterprise have been achieved beyond the MFP3’s expectations when the program was originally designed in 2013/2014.

As the government changed its priorities and policy directions in line with MFP3 objectives, it allowed the MFP3 room for flexibility in managing the project.
This situation was beyond the project’s ability to predict. Besides this change in the government political context, creating a competent and solid management team led by people who had a deep understanding of Indonesia’s bureaucratic culture and system were among the factors that needed to be considered in the design of the MFP project. Selecting individuals to be involved in the MFP team who could work with the government was essential. Emphasis on the important role of informal institutions and personalized relationships is in line with the Institute of Development Studies (IDS) research findings about ways to enhance governance in developing countries:

“Informal institutions and personalised relationships are pervasive and powerful and can contribute to progressive outcomes in poor countries. Creating formal democratic government [...] remains a valid long-term aim. But in the short-to-medium term informal arrangements and relationships can help stimulate [...] the transition to more inclusive, rules-based governance.” (IDS, 2010: 70).

This means that not only must those key personnel who work in projects such as the MFP have technical and managerial skills but also a bigger vision related to enhancing the democratic institutions that uphold the principles of inclusive development, human rights, accountability, transparency and equality. A project such as the MFP would not be successful without having counterpart actors inside and outside the government who also share similar vision and interests.

Since the MFP3 emphasizes a “multistakeholder” approach, it is important to also reflect briefly on this approach. It is not too much to say that the bilateral project of the MFP that developed between the Indonesian government and the UK’s DFID has popularized the multistakeholder concept in the context of forest management in Indonesia. For some people, this approach means simply “mutual learning for change; for understanding, not judging each other; for appreciating differences, not demanding uniformity” (Yuliani & Tadjudin, 2007:7). While Yuliani & Tadjudin (2007) focus on the learning and communication process, other authors analyse the multistakeholder approach in the context of political and decision-making processes.
as well as negotiation (e.g. Edmunds & Wollenberg, 2001; Purnomo et al., 2005; Yuliani et al., 2007; Saeed et al., 2018; Wijaya et al., 2018). In the context of political and decision-making processes, the lessons learned from the MFP3 might contribute to our understanding of the practice of deliberative democracy (Mutz, 2006). In the next section, we will briefly describe how the MFP3 has worked through this principle.

Among the important roles of the MFP3 is the facilitating of dialog and negotiation and consensus among different parties who might have opposite views, concerns or interests. Since we cannot assume that all parties have equal power, the MFP3 team has to be aware of the problem of inequality. Therefore, the MFP3 team has to work hard to find ways for the voices of marginal groups to be adequately taken into account in the deliberative decision-making process. The MFP3 believes that to address this power imbalance, transparency and access to information are crucial in improving the dialog among parties involved in the decision-making process. Frequent face-to-face meetings and the involvement of different actors in common tasks and problem-solving have been shown to improve trust. Although efforts to develop trust between people who have opposite opinions and interests might take time, the MFP3 believes it is worth pursuing since it is key to obtaining widespread and continuing collaborative support for change and improvement in forest governance.

In conclusion, we hope that at this point our readers understand what we mean with regard to the MFP3 as a development process. As we have tried to show in our brief introduction above, treating the MFP as a development process means that those who are involved in the MFP should pay attention to the larger social and political changes that might affect the objectives of the project. This also means that the success or failure of a development project such as the MFP are a combination of various factors inside and outside the project, and some of these factors might be unpredictable. Therefore, it is essential to have flexible management and a competent team that are able to adequately respond to the changing social and political conditions that will have an effect on the project’s goals.
Stunning views, waterfalls and rivers, the sights and sounds of monkeys and birds amid fresh air greet anyone entering Indonesia’s forests. Inside the forests is great wealth from Mother Nature. However, millions living next to these natural treasures are mired in poverty. Poverty form a great part of the lives of the communities living within and around forests.

President Joko “Jokowi” Widodo cited at the end of 2016 the nation still had 10.2 million people among its poorest people residing in and around forests, similar to a decade earlier. Latest data showed 97 per cent of the state-controlled production forest, covering 35 million hectares, benefited over 500 business groups, which possessed various government concessions – and the political elites who in turn benefited from them. As of 2014 state-controlled forest, including water areas, covered 124 million hectares.

Since the end of the authoritarian New Order regime in 1998, civil society groups and the various governments have embraced democracy by, among other things, trying to address conflicts and poverty among forest communities. A number of donors saw the need to continue to support this new wave of democratization, including the United Kingdom’s Department for International Development (DFID).

Together with the Indonesian government the DFID set up the Multistakeholder Forestry Programme (MFP) in 2000. With experienced former activists from various civil society organisations including those working in environment and legal issues, the MFP1 (2000-2007) began to work with the then Ministry of Forestry, encountering challenges not only from the government but also from a widely suspicious civil society.
In the latest phase known as the MFP3 – from 2014 to 2018 – the environment for reformists in forestry has become much less hostile thanks to patience on all sides in pushing through changes slowly and steadily in the face of much resistance and distrust.

“At the end of 2016 the nation still had 10.2 million people among its poorest people residing in and around forests, similar to a decade earlier.

1.1 Breakthrough under Jokowi administration

Since the revision of the national forest law in 1999, Indonesia did not see enough meaningful changes in tenurial access to the forests for local and indigenous communities, although civil society organizations had long urged previous governments to enact such changes. “They were almost allergic to the word ‘tenure,’” said Suraya Afiff, the MFP3’s research coordinator. “They did not want to touch it.”

Civil society advocates “social forestry” as part of the campaign for tenurial access; but not until mid 2015 did the term gain significance. That year, President Jokowi decreed the target of 12.7 million hectares of social forestry and efforts toward tenurial access gained recognition and full support. Jokowi’s administration stated the ambitious target in a presidential regulation on the National Middle-Term Development Plan 2015-2019. Minister of Environment and Forestry Siti Nurbaya Bakar said at the end of 2017 that President Jokowi’s target was unrealistic and that by the end of his presidency, the social forestry permits could be issued for only 4.3 million hectares of forest area due to budget constraints (The Jakarta Post, 2018). Nevertheless, it is still much higher than the 1.37 million hectares of community-managed forests achieved by the previous government from 2009 to 2013.
Unloading rattan harvested from KPH Dolago Tanggunung, Central Sulawesi
Social forestry is a partnership between government and the people, where people living in and around the forests should gain the most from forest resources in a sustainable way. The President has paved the way to giving tenurial access to indigenous peoples and local communities wherever possible. Whether it is in the state forest zone or kawasan hutan including protected forests and private concessions or in public forests. The people should be able to take advantage of the forest timber, non-timber forest products and their services in managing various schemes in social forestry programme i.e. village forests, community forests, community plantation forests, adat forests and forest partnerships. Social forestry schemes aim at sustainable forest management through people’s entrepreneurial endeavours.

"Against this backdrop, the government’s social forestry, which gives people access to forest resources, is a very strategic move,” said Widya Wicaksana of the MFP3. “It serves to reduce conflicts between the state and the people and it is a rational and realistic method of significantly decreasing the poverty rate,” he added.

1.2 Social forestry to reduce tenurial conflicts

One important background of social forestry regulations is the persistent challenge in managing forests, namely tenurial conflicts between local people and businesses or local people and the government. People, including adat communities, have often been accused of plundering the forests.

Amid a rise in forest-related conflicts along with demands for better welfare of communities dependent on forests, the Constitutional Court issued a ruling in 2012, granting the judicial review request filed by the Alliance of Indigenous People in the Archipelago (AMAN), an NGO for indigenous people. The court overturned the adat forest definition in the 1999 Forestry Law and ruled that adat forests were not part of state forests. The ruling gave indigenous communities a legal basis for state recognition of their adat forests claim, not only as their sources of livelihood but also as their cultural spaces.

The court ruling was a historic one that ended the New Order legacy of state hegemonic control over forest. Hutan adat (traditional indigenous forests) are now a new type of forests and not for sale. The title forest status of Adat Forest could be revoked if their use harmed the forest environment. But despite the ruling, securing the status requires a lengthy process to gain approval from the local and central governments. Tenurial access is thus vital for any community dependent on forests, including those applying for legal recognition as an adat community, to be able to further apply for title rights of hutan adat.

As of 2013 the government recorded 18,718 villages located within and around state forests comprising various communities. A crucial follow up to the ruling was Minister of Environment and Forestry Regulation No.32/2015 on title forests (hutan hak) which includes hutan adat. This regulation, which the MFP3 participated in drafting, defines procedures to obtain a license of title forest. Requirements include legal recognition of the applying group of adat people, based on a bylaw from their respective administrations.

As this entails considerable red tape for adat communities seeking hutan adat forest tenure, the MFP3 has helped to support local groups and NGOs working with adat people and local academics, including anthropologists, to gain recognition from their respective administrations, for the basis to apply for title forest status. In the drafting of regulations
on social forestry the MFP3 involved NGOs with expertise and experience in the related issues including the Indonesian Center for Environmental Law (ICEL) and HuMa.

1.3 Great changes and challenges

Many local administrations, which from 2001 - 2016 were authorized to issue forest and mining permits under regional autonomy, were largely reluctant to support social forestry schemes that were perceived to cut into their revenues, given that greatly reduced profits could be expected, compared to income from private businesses.

From 2015 to December 2017, the government had only managed to issue an additional social forestry permits for around 884,379 hectares of forests to local communities. The slow progress in Jokowi’s social forestry program, which aims to protect forests while alleviating poverty, has been partly impeded by a limited budget and a lack of personnel to assist local communities in obtaining social forestry permits, which is valid for 35 years (The Jakarta Post, 2018).

Nonetheless, President Jokowi himself has complained of the slow process, mainly attributed to cumbersome procedures and regulations constraining social forestry. He has told the Ministry of Environment and Forestry to trim the red tape, which would require coordination to change rules under the agriculture and home ministries, besides pushing for the passage of the law on adat people.

There are 18,718 villages located within and around state forests

Recognition of masyarakat adat

The historic Constitutional Court recognition of forests owned by indigenous people lends support to the domestic and international campaign to use the term masyarakat adat in reference to Indonesia’s indigenous communities. The widely cited working definition of indigenous people is from the 1981 study of the United Nations’ Special Rapporteur of the Sub-Commission on Prevention of Discrimination and Protection of Minorities by Jose R. Martinez Cobo who wrote, “Indigenous communities, peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing on those territories, or parts of them.”

However, although Indonesia signed the 2007 UN Declaration on the Rights of Indigenous Peoples, recognition has been slow and a draft law on indigenous peoples is not on the priority list of the House of Representatives. Some officials argue the term masyarakat adat in Indonesia differentiates specific communities from ethnic groups such as the Javanese who have also lived for centuries before the nation was set up, and are thus also considered indigenous by the government. With the Constitutional Court ruling, legal recognition of masyarakat hukum adat, a prerequisite to gain ownership rights over previously state land, also entails evidence of not only being a community that has lived over several generations in a given area, but which also has a set of norms, rules and other traditions guiding their communities.
A long-time bureaucrat at the Ministry of Home Affairs, Siti Nurbaya Bakar, was entrusted as the new Minister of Environment and Forestry, charged with the unenviable task of not only combining the seemingly impossible goal of improving business in the forestry sector and rehabilitating its largely degraded environment – but also with managing and speeding up the additional goal of alleviating poverty among communities’ dependent on forests.

In mid-2015, the ministry formed a new directorate general, the Directorate General of Social Forestry and Partnership, to help achieve these goals. In 2016 and 2017, the directorate general issued almost 30 regulations on top of those related to social forestry issued by the ministry. “Throughout our history of the state forest policy, never did we have a directorate general dedicated to the communities and resolving conflicts,” said Suraya Afiff of the MFP3.

The new emphasis on social forestry involves consulting various stakeholders before decisions are made on improving community access and benefits from forest resources. The term multistakeholder is becoming a familiar term in government; however, its use apparently depends on the understanding and political will of the officials in charge. The MFP3 emphasizes not only consistency in engaging diverse stakeholders in forestry issues – local communities, businesses, academics and various government bodies – but on engaging them simultaneously. This is a unique approach for the Indonesian government that requires enduring patience and hard work along with a basic change of mind-set, among all those supporting the program and among officials themselves.

The officials are now required to change their mindset, from dismissing communities or looking
A farmer harvests coffee in a forested area in Kerinci in Jambi.
down on them, to regarding them as equals. In the social forestry scheme the officials must consult communities and even adopt new attitudes involving transparency and opening up otherwise lucrative concessions to poor communities. Forest managers at the grassroots level are suddenly expected to have a knack for business and to develop business plans based on maps of the forest area, which must be drawn up together with companies, communities dependent on the land and other parties.

A lack of access to information about and markets for their respective potential natural resources has made it extra difficult for the communities to make business plans. The challenge does not stop here. Once they identify the potential, they have to organize and work with the people to achieve the goals, enhancing welfare from forest products while preserving the environment. This is especially hard in remote areas with limited infrastructure.

1.4 The MFP3’s strategies of empowering the KPH

At the crux of the social forestry is the people living in and around the forests. But how does a policy made in the capital Jakarta, thousands of kilometers from the forests, reach the most important subjects, the local people? The MFP3 made a proposal: Why not empower forestry management units (KPHs) outside Java? Their existence is mandated by the 1999 Forestry Law and they are an essential tool of the government at the grass roots.

Previously ignored by both the government and civil society and feared by the grass roots, KPHs established in every province outside Java are now seen as one of the effective means to make social forestry a success. "Amid all the distrust of the KPHs, we led the way in empowering the KPHs," Nur Amalia of the MFP3 said. The KPHs, she said, could be the key to social forestry’s success because changes made only in Jakarta would
end up half-baked. “It’s like baking bika cake,” she said. “It has to be well baked above and below.”

To begin to institutionalize the program along with new habits and working methods, the MFP3 selected 15 KPHs covering 1.5 million hectares across the nation’s vast forests. The MFP3 sought out the KPHs as partners based on a number of main criteria: A KPH should not already be a partner of another donor, and be in a location where local administrations had shown a strong commitment to improving forests and their communities, as reflected in the allocation of funding. Other criteria were the presence of local NGOs with good track records in working with local community’s dependent on forests; and whether the KPH staff were seen to be “progressive”, and who displayed a strong interest in community welfare and forest preservation compared to the traditional “paper stampers”.

The MFP3’s main focus has been increasing the KPHs’ capacity while improving relations among all stakeholders, among whom the KPH represents government authority in forest management at the grassroots level, and which therefore must act and be treated as such. According to the MFP3 this simultaneous approach of working with all parties and encouraging cooperation and networking among them is unique among donors. Ministry officials acknowledge their routines partly inhibit them from wider networking and cooperation and this is made possible by the MFP3 as an outside supporting structure for the ministry.

Since the inception of the MFP3, the new emphasis on social forestry follows the successful achievement of the SVLK. But while the latest KPH regulation states their mandate must be to drive local entrepreneurship, the main source of KPH recruits, graduates of forestry schools across the country’s higher education institutes, have mostly been trained in traditional
forestry studies, which largely focus on the ecosystem and biological aspects of forests. To overcome this gap the MFP3 has contributed to the module for KPH training in the ministry to include all necessary aspects of social forestry – such as business issues, the latest forestry laws and regulations, conflict resolution and preparations to acquire the SVLK.

Among the capacity-building aspects are ensuring skills in drawing up long-term forest management plans (RPHJP). Ensuring such sound long-term plans are the vital first step for KPHs because the KPHs are latecomers to the forest compared to concession holders and local and customary communities. Based on the long-term plans, a KPH can map out existing concessions and other forest spaces, and draw up plans for operations. The forest management plans cover participatory mapping involving all stakeholders; businesses operating in the area, local communities and authorities. Therefore in forest areas where a KPH already has long-term plans, the MFP3 seeks to improve them where necessary together with the KPH and other stakeholders.

The significance of capacity building is in increasing the confidence and bargaining power of the KPH as a latecomer to the forestry landscape, even within the ministry. This means capacity building also includes basic administrative skills to avoid losing files, updating databases and understanding the latest laws and regulations and the role, obligations and authority of a KPH. As KPHs are fairly new authorities, ministry officials, local authorities, businesses and communities had tended to overlook them.

Capacity building has also meant encouraging closer relations between KPHs and all the other actors. Basically, it’s “tak kenal maka tak sayang” (without knowing each other there is no love) says the MFP3’s Nur Amalia, quoting an Indonesian proverb. As a result community members from forests within KPH jurisdictions have lauded the KPHs for their patience.
and encouragement of communities in developing local businesses from their surrounding natural resources. In making the KPHs more visible to the public the MFP3 has also facilitated their publication of brochures, website development and documentaries.

1.5 Five ways people can access the forests

Another important regulation that the MFP3 was participated in drafting was on social forestry itself, issued in November 2016, more than a year after the introduction. Minister of Environment and Forestry Regulation No. 83 /2016 seeks to combine separate ministerial regulations regarding social forestry, i.e. regulation no. 88/2014 on the community forest scheme, regulation no. 89/2014 on the village forest scheme, regulation no. 55/2011 on the business licence of forest timber production on community plantation forests, and regulation no. 39/2013 on the forestry partnership scheme. The above regulation No. 83 /2016 stipulates that social forestry aims at addressing tenurial issues and bring justice to local community and masyarakat adat live inside and surrounding the state forest in order to ensuring people’s welfare while conserving forest. The regulation stipulates five schemes under social forestry program i.e. village forest, community forest, community timber plantation, community – private forestry partnership, and hutan adat. The 2016 regulation on social forestry states the underlying principles are justice, sustainability, participation, legal certainty and legal responsibility.

1.5.1 Village forest scheme (hutan desa):

Village forests are defined as state forests managed by villages to increase their communities’ welfare. This scheme serves mainly to overcome conflicts arising from villages located within state forests. Villagers often accuse the state of encroaching
on their land and vice versa. Through applicants, who must be village heads, villagers will gain land use rights for 35 years, which is extendable, but the forestland remains state forest, which cannot be sold or converted to other uses that are not in accordance with its function such as protection or even production forests.

The scheme enables villages to own assets and sources of income; as unlike in Java, villages outside Java do not own land assets called tanah bengkok held by village chiefs. Management of these themes is the responsibility of a Village Forest Management Institution (LPHD) under a village chief. In West Sumatra, for example, most communities have applied for a variation of this scheme, locally known as hutan nagari, based on one or a cluster of several villages. It is a popular alternative to adat forests that need bylaws and ministerial approval. Communities of hutan nagari are thus land users, not owners of the forest land.

The initial hutan nagari, was partly assisted by the Warsi an NGO in West Sumatra interest, attracting many more applicants. Currently West Sumatra has over 94,481 (until 2017) hectares in social forestry schemes including 55 hutan nagari. The scheme has enabled communities to safely access forest resources, where previously they said they often felt threatened by the local forest police or businesses, even when they tried to replant areas that were prone to fire. Hutan nagari is also the most realistic option for conserving forests in West Sumatra as local forest police personnel, like elsewhere across Indonesia, are scarce, with only 120 officers to supervise 2.7 million hectares across the province.
1.5.2 Community forest scheme (hutan kemasyarakatan):

Community forests are defined as state forests mainly used to empower communities. Applicants may be a group of individuals or a cooperative assisted by a Social Forestry working group in the respective province. Under the scheme the state provides access to groups of people or individuals to contribute to conservation while they can make use of resources, particularly non-forest product such as resin, honey, fruits, etc.

1.5.3 People's plantation forest scheme (hutan tanaman rakyat)

This scheme is implemented in production forests for community-group applicants to establish timber plantations in order to ensure forest-resource sustainability.

1.5.4 Forestry partnership scheme (hutan kemitraan)

This scheme has been established to allow collaboration between local communities and various types of concession holders, including KPHs. This scheme was developed in order to meet the government policy that required all the concession holders to allocate 20 percent of their concession areas for partnerships with the local communities adjacent to the concessions.

1.5.5 Adat forest scheme (hutan adat)

Forests within the area of a legally recognized customary or indigenous communities (masyarakat adat), which are no longer part of a state forest since the 2012 Constitutional Court ruling. However, applications for adat forest schemes have, first, to meet the regulation (no 41/1999) that requires a local government regulation (peraturan daerah)
acknowledging their existence as masyarakat adat. Thus applying for a village forestry scheme is a popular alternative while preparing to apply for tenure over hutan adat.

The new regulations were triggered by the 2012 Constitutional Court ruling and also the 2014 Village Law, which could open the way for even more forestry schemes as it recognizes, among other factors, “traditional rights” respected within the unitary republic. It was these new rulings that finally enabled President Jokowi to announce in December 2016 that nine customary communities had legal tenure over their forests, comprising 5,700 families across more than 13,000 hectares in South and Central Sulawesi, Jambi and North Sumatra. In October 2017 he handed over state recognition of the rights to hutan adat to nine other communities in West and East Kalimantan, Central Sulawesi and Jambi, covering 3,992 hectares. Careful mapping and examination of overlapping claims are the main issues that must be settled following each appeal for recognition of customary forest. The MFP3 has assisted several communities in being recognized as masyarakat adat, before they can apply for tenurial access to title forest.

1.6 Making it work for the people: Conflict resolution

All forest areas contain potential conflict among various parties including communities, the state and the private sector, quite apart from organised crime such as in illegal logging. Therefore the main role of the MFP3 is empowering the local authority, i.e. the KPH, in carrying out all its tasks and anticipating and mediating conflict. Basic participatory mapping is among the vital skills facilitated by the MFP3; an entirely new process that is just one small part of all processes that must involve multiple stakeholders with diverse interests in the forest in a KPH area.
A by law in Sorong regency that gives legal recognition to the Malamoi indigenous community was passed in December 2017, in a historic first for Papua and West Papua. The MFP3 with the local Jerat NGO facilitated this bylaw and two related regency decrees on the recognition and protection of the Malamoi as indigenous to the regencies of Sorong, Raja Ampat, Tambrauw, part of South Sorong and the Sorong municipality.

The bylaw is an essential requirement for the Malamoi to apply for tenurial access to the forests across the regencies; the MFP3 also assisted in the drafting of the ministerial decree confirming the state recognition of the Malamoi in support of the application for their forest title.

As the authority closest to different communities and business interests, the KPH inevitably must take up the role of conflict mediator. Therefore basic skills also require understanding of local cultures, listening to diverse interests and legal advocacy. KPHs, says the MFP3’s Nur Amalia, were the first government offices to get involved with an NGO in paralegal training. Indonesia’s iconic legal aid institution, Yayasan Lembaga Bantuan Hukum Indonesia, has trained the KPHs in the knowledge and skills required as paralegals with an understanding of the various legal issues surrounding forestry.

The MFP3 is not, however, mandated to intervene in any conflict. For example, in Benakat in South Sumatra, a conflict continues between the private sector, local communities and the KPH; as privately owned company PT Musi Hutan Persada has shown it has a legitimate concession in most of the 270,000 hectares. This was conveyed in one of the multistakeholders’ meetings facilitated by the MFP3, where the company also explained it already had a scheme with the local communities.
Under former president Soeharto, all concessions were obliged to set aside 20 per cent of their concession areas to local communities; however, the specific schemes are largely left to the respective company’s management decisions. Conflict resolution in Benakat will only be possible with “openness” on the part of the company toward the communities, says the MFP3, as its claims are all valid and must be respected. Further, regarding South Sumatra, researchers say communities are complex as they comprise indigenous people and outsiders from North Sumatra, Jambi, Riau and transmigrants, land owners and non owners.

Until today local government commitment toward the welfare of forest communities or the wellbeing of the forests themselves varies from one administration to another. In areas where KPHs have not been regulated or which only have a provisional KPH, no funds can be allocated for forest management, exposing the forest and surrounding communities to the risk of further neglect. However, wherever possible the MFP3 helps to render services such as contributing to the business forum held in December 2017 for a provisional KPH in Bangka. At the function the MFP3 facilitated the association of honey producers from Sulawesi and furniture makers from Cirebon to share experiences with forestry officials.

1.7 Inspiring entrepreneurship

In providing the framework for business cooperation, the MFP3 has facilitated a number of memorandums of understanding (MoUs) between the KPHs and local communities, which can also involve local administrations. The MoUs reflect increasing trust-building among the parties involved. Widening such partnership schemes (kemitraan) is vital in increasing social forestry, particularly for communities that have long lived in state forests that they perceive they have inherited from their forebears, and who have often been considered illegal squatters.
So far the MFP3 has facilitated MoUs on partnership schemes between KPHs and local communities in Yapen in Papua, South Sorong in West Papua, Batulanteh in Sumbawa, Sarolangun and Kerinci in Jambi. Four of these agreements were signed at the Pesona Forestry Festival at the ministry, witnessed by the Social Forestry and Partnership Director General.

The MoU in Papua covers the forests of the Yapen Islands, which are home to beaches, lakes, waterfalls, orchids and caves and also various peacocks, besides several tree species.

On March 15, 2016, an MoU was signed to ensure access of the Yapen adat community in managing and supervising the forest covering 106,010 hectares. The partnership involves the heads of the regency development planning agency (BAPPEDA), the local forestry agency and the local plantation agency, the head of Yapen’s production forest, Samuel Kakiasina, and the chief of the Yapen Adat Council, Apolos Mora, as well as MFP3 representatives and the Jerat NGO.

Among other things the parties agreed to joint planning and management of the production forest, allocation of financial and human-resource support in the forest management and in the empowerment of the adat communities, and a commitment to draft bylaws and village rules on the protection of the peacocks and their habitat. The parties also agreed to prepare a proposal on the protection of the Yapen adat community; and that the 10 activities in the agreement will involve adat women in decision making and program implementation.

The last point on including women is part of the MFP3’s approach of ensuring social inclusion of marginalized groups at national and local levels. The MFP3 says the MoU was made possible by among others a new regent who displayed a “pro-people” attitude even though Yapen saw a high turnover of...
KPH heads, who would refuse to set up office in the remote islands. Regent Yasaya Sawat appointed a new KPH head who immediately requested electricity installation in Yapen to enable him to run the office from the locality. The regent of Yapen also allocated a higher budget for forestry than his predecessor. The MoU was also made possible by the role of a private company whose management saw that its supplies of timber would soon be depleted as long as palm oil plantations were allowed in the area.

In Jambi, the MFP3 helps the Kerinci production forest management unit (KPHP), which manages 34,250 hectares of forestland. Neneng Susanti, the KPHP head, said the potential in Kerinci included honey, bamboo, rattan, cinnamon, coffee and ecotourism, where popular destinations include the Pancaro Rayo waterfalls.

One partnership agreement was with honey farmers. The Kerinci KPHP has helped package and market the honey. Before, the farmers got Rp 75,000 per kilogram of honey, now they get Rp 125,000 per kilogram. Zulkardi, the head of the Sialang Forest Honey farmers’ group, said that after the MFP3 trained them to harvest honey sustainably, they could get 400 to 500 kilograms of honey in three months, if the good weather permitting.

Sastriani, a farmer in the Mawar Indah coffee group, said the KPHP trained them to pick only red coffee cherries. “We used to pick all of them, green and red. We are proud to be receiving the training from the KPHP. Now we have learned a lot from the KPHP,” she said.

The Kerinci KPHP also includes a customary forest. Suherman, the customary community chief, said the indigenous group wanted to grow coffee, cloves and other commodities in parts of the customary forests allotted for the production zone. “We hope people will not damage the forests because we now have a production zone,” he said.

In 2016, the Ministry of Environment and Forestry issued a regulation declaring 41 hectares of forest as Bukit Tinggai customary forests in Sungai Deras village, Air Hangat Timur district in Kerinci regency. On Dec. 28, 2016, Suherman, as a representative of his Nagari social forestry area in West Sumatra.
indigenous community donned his traditional attire to go to the State Palace and accepted the certificate for the masyarakat adat from President Jokowi himself.

Neneng said the KPH was the last bastion of forest conservation in Indonesia. “Because we are the ones in the field. We experience many problems, yet we see a lot of potential […] That’s why we need tremendous support, not only from the central government but also from other stakeholders like NGOs,” Neneng said.

Also in Jambi the MFP3 facilitated a partnership agreement between a KPH in Sarolangun regency and a group of farmers cultivating oil from the kepahyang (Pangium edule) tree. Based on research and laboratory results, the KPH had found that oil from the tree’s fruit was rich in vitamin C, Omega 3, beta carotene and calcium; buyers also seek the oil for its vitamin E content, which is higher than that of virgin coconut oil, said Misriadi of the KPH. Following high interest in the product, including requests from cosmetic producers Earth Oil and Body Shop, the KPH in 2016 set up a cooperative to focus on the kepahyang oil business.

Misriadi envisions a much faster production process than the current manual steps of extracting the oil, so that farmers can meet demand such as that from the cosmetic producers requesting 3 tons a month. Whatever the social forestry schemes the role of the KPH is vital in enabling and increasing productive community access to forest resources for the welfare of community members. For this purpose, the MFP3 has assisted the KPH in organizing local groups according to their diverse skills and interests, technical support, area mapping, drawing up proposals and increasing entrepreneurship among KPHs themselves and the communities.

Partnership schemes with communities living in areas with difficult infrastructure, as in islands, also greatly improve their well-being. With help from the MFP3 locals in the state protection forests of the Alor and Pantar Islands in East Nusa Tenggara, for instance, have proposed forest partnership schemes with the management units of state conservation forests (KPHLs), which hopefully could overcome their dependence on loan sharks and better benefit from surrounding resources such as candlenut, vanilla, coffee and cloves, as well as from nearly 50 tree species. Among the local strengths is their policy against cutting certain trees or hunting particular animals without village permission.

Entrepreneurship among an adequate number of community members and KPH leaders and staff is among the main crucial challenges once the long and often difficult process of tenurial access is secured -- and when all donors have left. Thus the MFP3 has helped identify KPH leaders and community members who demonstrate sufficient passion not only in short-term income generation but also in sustainable business models. The MFP3 has facilitated training in drawing up business plans and sharing skills such as methods of developing non-timber products. Several KPHs have said the MFP3 has greatly helped them in building entrepreneurship; especially where they feel they are lone voices among the community and within the ministry itself. Julmansyah, head of Sumbawa KPH, for instance, describes how farmers he encouraged to develop the now famous Sumbawa honey were once mocked in the community as “mad men” (see sidebar story).

A recent interesting example is the MFP3 support for rattan farmers in Central Sulawesi through the Dolago Tanggunung KPH. Despite being the main source of Indonesia’s furniture for export the communities had only marginally benefitted from sending the rattan directly to furniture makers in Cirebon, West Java. Following considerable observation and dialogue with the farmers, the MFP3 saw that by adding only one stage to the processing of the rattan, known as “frying”, the value of the rattan could jump from Rp 1,500 per kilogram to Rp 8,000 per kilogram. In Palu, Central Sulawesi, the MFP3 also supported a coastal community planting mangroves in the area of the Banawa Lalumbu KPH, which is fast showing potential as a popular tourist spot.

MFP3 has greatly helped KPH in building entrepreneurship
1.8 Business forums: Advanced skill in entrepreneurship

Villagers and communities around forest areas, as well as KPH leaders and staff, do not necessarily lack business aspirations, as many may think. Once they perceive that hurdles such as capital and conflicts over land use can be overcome, many show enthusiasm in learning what they can do with the abundant resources around them. However, from a mere “selling” mentality the MFP3 encourages a “market” mentality to ensure sustainable supply and prices worthy of the value of the forest products for domestic and international consumers.

Business Forum provides a market where sellers & buyers meet

The MFP3 has facilitated forest communities, through their KPHs, to open market access for their products, by holding business forums. These forums provide a “market” where sellers and buyers meet, although in reality they involve many more stakeholders. Not only KPHs and the community representatives are present but also relevant companies, which might have an interest in buying the non-timber forest products. Central government representatives are also present. Such business forums have been held in Sumbawa, West Nusa Tenggara, and Palu, Central Sulawesi, and the latest was held in late November 2017, attended by 11 provisional KPHs from Bangka Belitung Islands.

Among other results following the Sumbawa business forum, the local honey is now sold to Jakarta through CV Dian Niaga while beeswax is sold directly by farmers to the Denpasar-based PT Wirausaha Lebah Kreasi. The business forum in Palu led to progress with the Dolago Tanggunung KPH, with processed rattan of higher value than raw rattan sold to CV Simply Creation, a furniture exporter in Cirebon, West Java. The third one in Bangka Belitung Islands provided a meeting place where communities producing forest honey and fast-yielding timber met with a potential buyer, CV Green Forestry Indonesia.

The stakeholders in the three business forums identified several concerns that needed to be addressed. The first one is each KPH’s readiness to follow up on whatever ideas and potential cooperation emerged in the forum. Each KPH needs to ensure the business units are able to deliver products meeting the market standards. To ensure quality, KPHs need more technical training. The stakeholders also identified that all community-based business units had problems accessing funding for their investments. Another concern is how to raise KPH staff’s capacity to mentor the communities to meet market demands. One idea from the forums was to connect more successful KPHs in certain areas to mentor other KPHs to follow their success.

1.9 Connecting Reforestation Funds to the people

One problem experienced by KPHs once they have set up their business units is access to funds. The MFP3 understood that trillions of rupiah in Reforestation Funds set up during the New Order government were sitting in the state’s coffers. The fees from businesses in forest resources are now much more strictly supervised by the Ministry of Finance. The funds are now granted to empower communities seeking revenue from forests.

The ministry set up a BLU (Public Service Agency) to disburse this money. It has become the most realistic source of funding for community-based businesses as rigid requirements such as being legal entities are not required. The BLU sets an interest rate of 6.5 per cent per annum, compared with rates reaching 12 per cent at banks. The communities can repay the loans over 16 years.

Prior to acquiring BLU funds, the MFP3 first consults with the KPH and communities and holds dialogues on their needs and interests while helping to identify potential businesses from surrounding resources. This is a vital part of the process before the MFP3 can provide technical assistance in drawing up proposals. Both the KPH leaders and the communities may or may not have a clear idea of their needs and interests and the potential of the forest resources within their reach – let alone a long-term sustainable business vision.

The MFP3 also facilitates the BLU in the drafting of necessary regulations on intermediary institutions
and BLU support for downstream, off-farm activities. In addition, the MFP3’s help in raising the BLU’s profile has attracted many communities who understandably have never heard of this source of funds, which could empower unbankable millions.

A clear example was during the latest Pesona social forest festival, where BLU sessions saw lively discussions among participants representing various social forest schemes across Indonesia, who were interested in securing the funding.

Before the MFP3 came to assist the BLU, the Ministry of Finance threatened to close the BLU because of its poor performance, given its low disbursement of funds. The BLU agreed to work with the MFP3 to enhance the BLU’s management capacity, including training ground staff. BLU head Agus Isnanti Rahmadi said that almost 90 per cent of proposals they received had been approved since 2015, compared to the past when many proposals were found to be “fictitious” or to have been “copied and pasted” from proposals of other communities, he said.

“Now we have actually become a reference for other BLUs by the Ministry of Finance,” Agus said. A large number of requests for funds have been for loans to delay tree cutting, which cover five to eight years, Agus said, from communities in Java. Early harvesting is usually done to cover daily needs and farmers end up dependent on loan sharks. As the program is new, the BLU has yet to be able to evaluate the accepted proposals.

But the MFP3 support has been evident, says Agus and his colleague Gustami, who heads the environment investment funds. The MFP3, they say, has been strategic in supporting a system to fund forest development, its disbursement dependent on the readiness of the respective KPHs that the MFP3 supports. “We hope the MFP3 continues to encourage relevant institutions such as local forest management units and forestry offices to prepare institutional readiness and entrepreneurship among local farmers,” Agus said.
1.10 Inclusive Involvement of Women and other vulnerable groups

The MFP3 has a serious commitment to ensuring there are no barriers to women and other vulnerable groups in getting involved in its projects. The efforts to reach out to women and various social segments in the community starts from planning and implementing, through to the monitoring, evaluation and learning stages. Training in social-inclusion issues has been conducted to ensure that all MFP3 partners integrate a social-inclusion policy in their programs.

Examples of BLU recipients:

**Koperasi Tunda Tebang Jasema (Jasema Cooperative for Delayed Cutting of Trees)**

The cooperative was set up by 554 farmers in Terong village in Dlingo, Bantul regency in Yogyakarta, as a solution to overcome the frequent practice of cutting trees before harvest to get loans from loan sharks, whenever they needed money for capital, children’s schooling or house renovations. In 2012 following several discussions involving farmers, the village administration and local leaders decided to set up the cooperative for the well-being of the forest and for local economic improvement. The cooperative, it was decided, would lend money to members who delayed cutting their trees, with strict restrictions and procedures such as verification of the trees used as collateral, which had to have a diameter of 21-30 centimeters.

Apart from saving some 2,000 trees from early cutting in the cooperative’s first two years, farmers began a new habit -- planting saplings right after cutting trees. From a village on the hills that faced the danger of deforestation, in 2014 Terong village was declared a “Climate Care Village”. Earlier in 2013 the farmers grouped in the Jasema Forest Farmers Group gained an SVLK certificate following training from the MFP3.

**Aceh Association of Jabon Developers (ASPEKJA)**

ASPEKJA was set up in 2013 by a group of investors interested in the potential of jabon (Anthocephalus cadamba), for which demand is high in nearby Medan, North Sumatra. The BLU approved proposals for a small number of some 400 investors who were considered ready for their plan involving the supply of the timber to the downstream phase. Edi Mulyadi, one of its leaders, said 60 per cent of the funds would be set aside to invest in building a plywood factory in Aceh province. He said another part would fund the delayed cutting of trees, to avoid farmers cutting down saplings for the benefit of brokers who exploit farmers’ lack of information on wood prices. The MFP3 helped identify prospective investors and advised them on business plans.
A BLU signs a loan agreement with representatives of a local forest community.
Women work in a furniture factory. Women play an important role in many wood-processing businesses in the country.
Monitoring social-inclusion issues is also part of the MFP3 monitoring and evaluation mechanism.

Assisting local and indigenous communities to gain access and security of tenure is an example of the MFP3’s social-inclusion activities. Without legal access to land, local communities and indigenous people would be regarded by the government as squatters subject to forced eviction. In the small-wood industry, for example, women have been well represented in the furniture business. Many of them are involved as workers, but many others are also business owners. Assisting women business owners to obtain information about the SVLK and assisting them in obtaining the certificates are important strategies in the MFP3’s social-inclusion policy. Thus, the MFP3 has to ensure that all segments of the community benefit from its activities, particularly those who are poor and vulnerable.
Sumbawa Island in East Nusa Tenggara is known as one of the world’s best sources of honey. But until a few years ago, the few residents who tried cultivating bees and producing honey were mocked mercilessly as “mad men”, as described by Julmansyah, the head of Puncak Ngengas Batulanteh KPH.

That he and his team were the ones who introduced the cultivation of previously ignored bees, and encouraged locals into producing famed brands, is a source of great pride for him, although the long, hard work has brought “no profits”, he said. A forestry graduate from Yogyakarta, Julmansyah was assigned to his own home regency of Sumbawa Island.

Even being a member of the local Samawan ethnic group did not prepare him for the “shock” he experienced, which turned out to be part and parcel
of a forester’s work. “It’s learning on the ground,” he said, adding that he and his colleagues learned little in formal studies of the typical working day; dealing with daily, chronic conflicts, approaching and coaxing resistant locals, building up patience and steeliness in the face of “terror, wild text messages” from the local mafia who until today continue to attempt illegal logging.

One day he said, following a demonstration at the office by crowds demanding justice in an investigation against suspected illegal loggers, a pile of confiscated logs was set on fire by unknown persons at night. Even with the continuing daily worries of curbing forest crime and increasing residents’ welfare, the MFP3 heralds the Sumbawa forestry unit that Julmansyah leads as head of the Balai Puncak Ngengas Batulanteh KPH as among the most successful government forestry units. From the original six staffers the KPH encompasses two previously separate units with 56 staff, in charge of 32,776 hectares of 78,078 hectares of forest.

Hearing all kinds of experiences of fellow government foresters is like “watching a movie”, says Julmansyah, also the secretary of the Association of Forestry Management Unit Heads. He’s on a deadline, he adds, in compiling stories of fellow foresters for an upcoming book – one of a few book projects that he attempts to wedge in between a tight schedule. Beyond a university degree a forester is required to be “multitalented” and be “just a little less than Superman,” Julmansyah has concluded; as apart from understanding the nature of the forest and its many species, the profession demands great leadership, communication abilities, conflict-resolution skills and mediation between upper and lower government authorities, as well as police, military and prosecutors. One must also understand all relevant laws as the special investigator at the forestry unit is “overwhelmed”, and have a capacity to understand and implement several “inconsistent” laws and regulations, which until recently were formulated only in Jakarta.

Julmansyah said he appreciated the MFP3’s facilitation in, among other things, involving the forestry unit in the drafting of regulations, as laws and regulations determined only by Jakarta have proved to be “a headache” when they are unsuitable to local conditions. The MFP3 has also been invaluable, he adds, in its support for the forestry unit and local communities in helping to seek out markets for their products, building feasible business models based on input from locals and developing local capacity to establish supplies.

“He rarely stays put,” says Soraya Aiman of the MFP3, as Julmansyah is requested to travel here and there to share experiences and help other forestry units and communities. Scores of visitors, even from the Philippines, come to learn from them, such as how to cultivate bees. A brochure from Batulanteh cites the “vision and mission”, which includes the goal that the forestry unit aims to be independent “by 2022.” Also cited in the brochure is the constant challenges, which include the fact that “not all sides realize the importance of the forestry units,” which Julmansyah says includes even officials within the ministry itself.

Julmansyah counts his forestry unit fortunate in the support of the regent, who has “adopted” the unit as part of the local government, meaning available support in such matters as budget allocation. The regent, Husni Jibril, also supported the establishment of a joint patrol of foresters with forest police, local police and military personnel against the continued threat of illegal logging.

“But it’s much better if forest police emerge from the local population to better prevent and handle crimes,” he said. Local communities are relatively more prosperous now. At the very least, he says, together with the communities, and the support of the MFP3 for the forestry unit, they have succeeded in cutting short the previously much longer commodity chain. For example, farmers have established their own market in Denpasar, Bali, for beeswax, in high demand around Christmas, where buyers previously bought their decorative needs from Australia.

The forestry unit also encourages youth in the development of eucalyptus and candlenut oil – all previously neglected riches of their own forest. And yes, Julmansyah confirms happily, the youth show much more interest in their own surroundings with their high potential for ecotourism, and how to market it through their mobile phones.

Especially helpful are the fresh graduates of the government’s Bakti Rimbawan (Foresters’ Dedication) program who intern for a few months at the forestry units. Julmansyah praises the interns for their “untainted” passion and energy, and who become exposed to the harsh realities, joining foresters in carrying confiscated timber. Junior foresters, he says, “should no longer be shocked” like he was in his younger days, if they better understand what it takes to preserve even a tiny part of Indonesia’s forest and its communities.
CHAPTER 2
IMPROVING FOREST GOVERNANCE
When one flies over much of the Indonesian archipelago, one sees chains of towns and villages along main highways, large plantation areas and mining areas dotted with large holes, but little primary forest in view. Primary forest areas have been decreasing year after year. Not only virgin forests, all forest areas are rapidly depleting – this can be dated back to when the New Order government passed the 1967 Forestry Law that declared all Indonesia's forests as state forests. Using this law as a basis, the government distributed forestry concessions to hundreds of businessmen. Then, massive legal logging began. From these logging activities emerged the development of the forestry industry, with plywood as the main product. At one time, Indonesia was the largest exporter of plywood, bringing in billions of US dollars. Exports to Japan alone reached US$1.3 billion in its peak year in 1997. Other big export destinations included the US, Saudi Arabia, Hong Kong and European countries. Since
then, Indonesia’s forestry industry has grown so big that it is a significant contributor to the country’s exports and economy. Indonesia is now one of the world’s largest exporters of tropical wood products. Indonesian exports have become more diversified. The country exports a wide variety of forest products, ranging from plywood, pulp and paper to furniture and handicrafts. This trade was worth $9.3 billion in 2016. The main export markets are now in Asia, especially China, Japan and South Korea.

As exports of forestry products increased, so did demand for logs and timber. When legally sourced wood could not meet the rising demand, this situation led to the practise of illegal logging. And the result was obvious, Indonesian forests faced problems of deforestation and degradation. Forest cover in Indonesia has depleted from more than 150 million hectares before the New Order government came to power to 95.3 million hectares as of 2013, only 50.7 per cent of Indonesia’s total land cover (MoEF 2015 data).

During a forestry congress in November 2016, Vice President Jusuf Kalla said the distribution of forestry concessions to businesses during the New Order era had contributed to the many forestry problems Indonesia was currently facing. At that time, Kalla said, a businessman would not feel influential if he did not have a forestry concession of at least 1 million hectares. “They were proud to be exporters of timber, plywood and the like, at a price of only $5 per cubic meter. As a result, we are now facing flooding and rising temperatures in Kalimantan, Sumatra and other places,” said Jusuf Kalla, himself a businessman (Kompas, 2016).

Kalla also attributed the massive reduction in forest cover to irresponsible mining operations in forest areas as well as Indonesia’s population growth that led to land-use change from forest to other functions such as new settlement (transmigration development) for housing and farming purposes, including plantations. The highest rate of deforestation was recorded in the period 1996-2000 with more than 2.2 million hectares per year, with most of this, 78 per cent, occurring in Sumatra and Kalimantan (FREL, 2016). Meanwhile, the rate of forest degradation was also high, covering a total area of 1.3 million hectares per year.
Deforestation and forest degradation continued to deteriorate after 2000 as a result of the decentralization program, where natural resources fell into the hands of local governments. Regents distributed countless mining and plantation concessions to their family members and cronies, many of whom later sold them to big corporations. This distribution of concessions led to another massive rise in logging activities that caused further forest degradation.

2.1 Combating illegal logging

Deforestation and forest degradation in Indonesia eventually drew international attention. Of all those many forestry problems, the international community demanded that Indonesia curb illegal logging and land-use change. As problems persisted, Indonesia’s timber and wood products were blacklisted in many western countries, which demanded sustainability in Indonesian forests. Because of international pressures, the government acted hard against illegal logging and forest degradation. After the year 2000, Indonesia intensified investigations into cases of illegal logging, peaking in 2006 with a total of 1,705 cases being investigated. This figure, however, could not reflect the severity of illegal logging as most cases have never gone to court.

Based on Human Rights Watch’s “Wild Money” report released in 2013, illegal logging and forest sector mismanagement resulted in losses to the state coffers of more than $7 billion between 2007 and 2011. The report stated that in 2011 alone, losses totalled more than $2 billion (Human Right Watch, 2013).

Illegal logging, however, is not the monopoly of Indonesia. It has happened in other Southeast Asian countries, in other parts of Asia, in Africa and Latin America. This has led to a global effort to fight illegal logging and associated illegal trades such as wildlife poaching and corruption. A number of conferences and national initiatives were convened in East Asia, including one in Phnom Penh in 1999 and in Jakarta in 2000, discussing regional efforts to protect the forests from illegal logging. Earlier in 1998, the G-8 launched an Action Program on Forests, which motivated
a partnership between the World Bank, the UK’s DFID and the US Department of State on forest law enforcement for East Asia.

All these global efforts led to the convening the East Asia Ministerial Conference on Forest Law Enforcement and Governance (FLEG) in Bali in September 2001. The conference brought together 150 participants from 20 countries, representing governments, international organisations, NGOs and the private sector. The event was co-hosted by the World Bank and the Indonesian government, with financial support from the UK and US. Two years later, illegal logging was included in the discussion, changing FLEG into Forest Law Enforcement, Governance and Trade (FLEGT). This change reflects also the shared responsibility of timber consumer countries, as illegal logging is not merely an issue of economic supply but also demand.

Parallel to the global efforts, a group of civil society organisations in Indonesia started a discussion on how to reduce or even stop illegal logging using a market mechanism by providing incentives for timber-based industry players to conduct their businesses in a sustainable manner. Strengthening this civil society initiative in Indonesia, the UK’s DFID established and funded the MFP in 2000 to support Indonesia in strengthening its forestry governance through a multistakeholder approach. The MFP3 program covered a wide range of activities from forestry land tenure reform to industrial restructuring. It also implemented a bilateral MoU between the UK and Indonesia to tackle illegal logging and its associated activities.

2.2 Market system to fight illegal logging

Indonesia started to discuss its own timber legality assurance system or Sistem Verifikasi Legalitas Kayu (SVLK) in 2003. The SVLK was a result of processes among Indonesian forestry stakeholders. Facilitated by the MFP2, the government issued the timber legality assurance as a formal system in 2009. Since then, through consultations with civil society groups facilitated by the MFP2 and later the MFP3, then the Ministry of Forestry and later the Ministry of Environment of Forestry made several improvements in the SVLK regulations.

The SVLK was designed to complement law enforcement in the fight against illegal logging by making it difficult to trade illegal logs and timber. The key objective of the SVLK is to ensure the sustainability of Indonesia’s forests, the primary source of the timber-based industry. The SVLK utilizes market forces to fight illegal logging by providing incentives to timber-based industry players to conduct their businesses in a sustainable manner. The system provides incentives for legality by giving market access for verified legal products and blocking access for illegal products.

In the same year, 2007, the MFP entered its second phase. The MPF-2 then focused primarily on supporting Indonesia’s preparations to enter negotiations on the FLEGT-VPA with the EU. The central role of the MFP2 during the preparation of the negotiations was to facilitate discussion and dialog among all stakeholders, making sure all voices were heard, determining issues and formulating a unified stance for Indonesia. MFP3 then continue its role to facilitate FLEGT-VPA agreement until it was finally the EU granted Indonesia the right to issue the FLEGT licence.

It was not an easy task to define what is legal. So, the negotiation process was quite challenging

Frequently various parties would not agree with others and the role of the MFP was to facilitate further talks to find common ground. “What’s interesting in the SVLK is that it gives room for dialogue. It gives room for everybody to give input, arguments and criticism. It’s deliberative politics. And the role of the MFP3 is to facilitate this dialogue. And it’s the most difficult task we have because our friends in civil society have many voices and everyone wants to be heard,” said Dr. Ruffie, Executing Agency of MFP3.

As the facilitator of dialogue for all stakeholders, the MFP3 actively facilitated training, workshops and rounds of discussion so that all stakeholders would
have the same understanding about the SVLK, about the VPA and the need to build unified fronts among Indonesian stakeholders. During the negotiation, Indonesia tabled the SVLK as Indonesia’s own system in improving forest governance.

“It was not an easy task to define what is legal. So, the negotiation process was quite challenging,” said Agus Sarsito, one of Indonesia’s negotiators for the VPA. Eventually, the team of multi-stakeholders consisting of relevant government agencies, forestry industry players and civil society groups managed to translate legality into a set of criteria indicators covering the process from planting, harvesting and transporting to trading. As the negotiations progressed, the government eventually officially adopted the SVLK regulation in 2009 through a Ministry of Forestry regulation. Some groups in civil society were unhappy with the results of the SVLK regulation because it reduced the social aspect of the SVLK.

“All certification, including the FSC [Forest Stewardship Council] and the PEFC [Programme for the Endorsement of Forest Certification], left smallholders on the sidelines. The SVLK at one point also did the same. To address this concern, government decided to revise the regulation to introduce a system that would accommodate smallholders needs,” Suraya Afiff said. The government introduced the Supplier’s Declaration of Conformity (SDoC) to accommodate the interests of smallholders. With the SDoC, smallholders who harvest timber from their own private forests could enter the SVLK supply chains by declaring the origin and destination of their timber and timber products.

Another policy designed to reduce the cost of obtaining SVLK licences for smallholders is allowing them to apply for certification through a group-certification process. The MFP3 and its partner civil society groups have been very instrumental in

As part of its efforts to promote the legal timber trade, the MFP3 facilitates forestry-based small and medium enterprises such as furniture producers taking part in the IFEX 2017 exhibition.
assisting smallholders to form groups for certification, providing the training and offering assistance in obtaining a SVLK licence.

The EU also supported the idea of including smallholders in the SVLK system. The negotiations between Indonesia and the EU finally concluded in the VPA in 2013. The following year, Indonesia became the first Asian country to ratify a FLEGT-VPA. But the agreement only came into implementation in 2016 when the EU recognised that Indonesia had finally met the final major VPA requirement and Indonesia began FLEGT licencing on 15 November 2016.

Key elements of the VPA agreement include the SVLK as a recognised timber legality assurance system, commitments to public disclosure of information and other improvements in forest governance, as well as a framework for overseeing, monitoring and evaluating implementation of the VPA and its economic, social and environmental impacts. In addition, the VPA process itself has fostered multistakeholder participation. The VPA agreement reflects a broad consensus among stakeholders as the negotiations involved representatives of civil society organisations, the private sector and different government ministries and agencies. Significant national ownership and stakeholder engagement was achieved.

The MFP entered its third phase in 2014. The MFP3 focused primarily on supporting the implementation of the VPA by supporting FLEGT-VPA joint implementation committee (JIC) to ensure that all SVLK components were implemented fully throughout Indonesia.

The JIC was set up by Indonesia and the EU to oversee the implementation of the VPA. The EU and Indonesia co-chair the JIC and each party selects
member delegates. Indonesia’s delegates include representatives of the government, private sector and civil society.

The SVLK introduced transparency into the process of sustainable forest management assessment and legal verification, and involved civil society groups in its monitoring system, thus taking away some opportunities for public officials at the ministry to collect illegal levies. Civil society groups facilitated by the MFP3 then initiated lobbying efforts to educate the new minister and new officials at the Ministry of Environment and Forestry about the true nature of the SVLK and the importance of Indonesia abiding by the VPA agreement. Through their networks, civil society groups also reached out to the President himself so that he would have a better understanding of the SVLK and the VPA.

The MFP3 facilitated another round of multistakeholder processes to get the SVLK regulations revised to accommodate the interests of small players

Another hurdle to the implementation of the VPA came from the Ministry of Trade in early 2015 when the ministry – following lobbying by a view industry players – excluded furniture industries from the SVLK certification requirement for their exports. Industry players, especially small-scale furniture companies, argued that the SVLK had created additional costs for them, and thus made them less competitive in the international market. Cost was then the biggest disincentive of the SVLK. For a small furniture company, the SVLK certification was an extra cost. A furniture company had to spend between Rp 19 million and Rp 30 million to get SVLK certification.

The MFP3 facilitated another round of multistakeholder processes to get the SVLK regulations revised to accommodate the interests of small players. In the meantime, the MFP3 also tried to help small players in getting their SVLK certificates or timber legality certificates in order to participate in the SVLK process. Putera Parthama, director general of sustainable production forest management at the Ministry of Environment and Forestry, acknowledged that SVLK regulations had undergone several revisions to accommodate the interests of all stakeholders. Addressing the concerns of small players, the government introduced a more flexible regulation for furniture and handicraft businesses without reducing the credibility of timber legality, including permission to arrange group certification and a longer period of certificate validity for small businesses.

In addition, the government also reduced the verification cost of the SVLK by surveillance companies and provided subsidies to help small furniture companies to obtain SVLK certification. The Ministry of Environment and Forestry, together with the Ministry of Industry, also launched in 2015 a programme to accelerate the certification of small and medium enterprises (SMEs) and smallholders. The programme has deployed focal points in 18 provinces and developed a database to monitor progress of group certification.

The MFP3 also contributed to these efforts of encouraging forestry SMEs into the SVLK system. Over the period between 2015 and 2017, the MFP3 has facilitated SVLK certification for 725 SMEs in Banten, West Java, Central Java, East Java, Yogyakarta, North Sumatra, South Sulawesi and South Kalimantan. With all these facilities from the government and assistance from civil society, opposition to the SVLK from small players subsided. Parthama said remaining opposition to the SVLK came mostly from traders of wood and wood products looking out for quick profits, not timber producers or furniture manufacturers. “They seek short-term benefits, not sustainability.”圧力来自多利益相关者对政府和相关政府机构的沟通，尤其是环境和林业、外国和贸易部最终解决了问题。贸易部把家具行业重新纳入SVLK系统进行出口。

Jokowi, a former furniture businessman himself, pushed for the full implementation of the FLEGT-VPA. In April 2016, Jokowi signed the agreement with his counterpart European Commission President Jean-Claude Juncker. The two leaders affirmed both sides’ commitment to FLEGT licencing by the end of 2016. On Nov. 15, 2016,
UK Ambassador to Indonesia Moazzam Malik tries his hand at carving during his visit to a small wood-processing plant in Jepara, Central Java.
Indonesia marked the first shipment of wood products to the EU with the timber legality certificate, an equivalent of the FLEGT licence. Since then, Indonesian certified timber products have been exported to the EU without passing through due-diligence checks.

By December 2016, a total of 13.6 million hectares of natural forests and 3,197 forest-based companies had been SVLK-certified, and by 2017 Indonesia has issued a total of 4,804 FLEGT licences for timber product exports to the EU, or more than 800 licences per week.

2.3 Boosting trade in legal timber

Indonesia’s achievement in obtaining FLEGT licence status was partly attributed to the government’s strong commitment to include forestry smallholders and SMEs such as small furniture manufacturers in the program so that they would also benefit from higher demand for legal wood and wood products.

The MFP3 has provided capacity-building facilitation programmes to SMEs so that they can benefit from FLEGT. The activities range from training in development of business plans, in design and in expanding their markets through participation in the International Furniture and Craft Fair Indonesia (IFEX) and International Furniture Expo (IFEX). Outside Indonesia, the MFP3 facilitated related government institutions to join a road show to EU countries to promote the effectiveness and quality of Indonesia’s timber legality system among a wider audience, particularly importers and customers in Europe. The aim of the road show was to improve understanding among EU importers and competent authorities on how the SVLK works in relation to FLEGT and how the SVLK has met international standards.
Initially designed as a market system tool to combat illegal logging, the SVLK has developed into a system that boosts exports of Indonesia’s legal timber and wood products, especially to EU countries. One year after the first shipment of Indonesia’s FLEGT-licenced wood products to the EU, Indonesia’s wood product exports to Europe continued to increase despite global economic lethargy. As of October 2017, Indonesia’s exports of wood products with FLEGT licences to Europe had reached $1.08 billion, much higher than the 2016 whole-year value of $868.8 million and 2015 of $872.2 million.

Indonesia’s wood-product exports to the world up to October 2017 reached US$9.3 billion, exceeding the 2016 whole-year value of US$9.2 billion. EU Ambassador to Indonesia and Brunei Darussalam Vincent Guerend said Indonesia should benefit more from the FLEGT-VPA in the future. He noted the market for legal wood in Europe would continue to increase as the grouping has enforced the EU Timber Regulation (EUTR), which prohibits operators from including illegally harvested timber and wood products.

The biggest portion of Indonesia’s timber and timber product exports to the EU market went to the UK – before it decided to exit from the grouping. Indonesia’s timber exports to the UK grew 11.5 per cent to US$142.4 million in 2016 from US$127.7 million in 2015. “Over the next two or three years, even though we are in the process of exiting the EU, we are committed to translating the FLEGT arrangements into our domestic regulation, so that we can continue to assure our consumers, and also, to be a good partner to Indonesia,” UK Ambassador to Indonesia Moazam Malik said during the commemoration of the first anniversary of FLEGT-VPA licencing implementation in Jakarta (The Jakarta Post, 2017).
The SVLK also has had a positive impact on the wood-processing industry, including furniture and handicraft production dominated by SMEs, as shown by the rise in exports of their products to EU countries to $461.9 million as of October 2017, exceeding the 2016 value of $203.8 million and 2015 of $262.9 million. Sasmiatun, owner of a medium-sized export-oriented furniture company in Jepara, Central Java, said that although her exports to Europe had not returned to the level during their heyday before the global financial crisis in 2009, the SVLK had helped her in finding more clients in Europe.

“The SVLK is like our weapon of war. Without the SVLK, we would not even make it to Europe,” she said. The recognition of the SVLK by the EU helps Indonesia meet the legality requirement of markets beyond the EU. Indonesia has joined the EU and its VPA partner countries in a global movement to stop the trade in illegal timber and wood products. Australia, the US and Japan also seek to restrict imports of illegal timber into their markets.

The SVLK, initially a market system tool designed to fight against illegal logging, has become a global recognition of Indonesia’s good forest management system. The success of the SVLK lies greatly in the process of its drafting. The system has been developed through multistakeholder consultations involving government agencies, the private sector and civil society, initiated by the MFP. Parthama of the Ministry of Environment and Forestry, recognizes the MFP3’s instrumental contribution to the success of the SVLK, especially in engaging stakeholders.

“Yes, it’s a headache but it’s necessary because that’s what we believe in. Everything should be done with multistakeholders. The MFP3 leads to that democracy,” Parthama said.

2.4 Strengthening credibility

The success of the SVLK lies in its credibility as a system to ensure Indonesia’s forest sustainability and
therefore it gains trust from buyers of Indonesian wood and forest products. Without the trust of buyers, the SVLK would not attract local industry players to join the system. As a system that ensures the sustainability of Indonesia’s forests, the SVLK is built on three main principles: (1) good governance of forest management, (2) representation of all stakeholders through multi-stakeholder processes and (3) transparency of the whole SVLK certification process.

Good governance of forest management involves the whole system of the SVLK as a market system to contain illegal logging. The main purpose of the SVLK was to complement law enforcement efforts to fight illegal logging. Although now, the SVLK has developed into an effective system that boosts the trade of legal timber and wood products, still the core of the SVLK is to ensure good governance of forest management.

The SVLK itself is a product of very long multi-stakeholder processes, involving all relevant stakeholders, government officials, civil society groups and representatives of timber businesses. Multistakeholder processes intensified when Indonesia entered into negotiations on the FLEGT-VPA with the EU. Multistakeholder processes continue these days to ensure the full implementation of the FLEGT-VPA, which has benefited Indonesian forests as well as people and communities in and around these forests.

The credibility of the SVLK also lies in the transparency of its system, from upstream to downstream, from timber harvesting to timber exports, so that the legality of every timber and wood product traded in the market – in this case exported – can be traced all the way to its origins. The key to ensuring transparency and most importantly to ensuring the credibility of the SVLK is the involvement of civil society groups – not public officials or state institutions – in independent monitoring of the system.

Independent monitoring groups are an integral part of the SVLK system that covers many other actors in the whole process of certification. The other main aspects
of the SVLK system are the Ministry of Environment and Forestry as regulator, conformity-assessment bodies (CABs) or independent third party-verification bodies accredited by the National Accreditation Body and appointed by the ministry, and forestry companies as the main beneficiaries of this system.

2.4.1 How the SVLK works

Every forestry timber company that exports its timber and wood products will have to pass through the legality verification process in order to obtain “V-Legal” documents. The SVLK applies to all aspects of upstream and downstream forestry operations by both big businesses and SMEs.

In the upstream operation, the SVLK legality standards apply to:

- State forests managed by communities, including: community forestry (HKM), forest villages, adat forests and smallholder plantations (HTR).
- State forests that are not management unit-based, including the holders of timber utilisation permits.
- Forest rights / community forest / private forest and non-forest areas.

However, state forests managed by national state-owned companies (BUMN), local government-owned companies (BUMD), and private, including IUPHHK, holders of natural forests and plantation forests are assessed under the sustainable forest-management standards.

Upstream forestry operations engaged in various forms of logging activities must have legality documents for their concessions or their forests and other documents pertaining to taxation, environmental impact assessments and other administrative documents. In addition, they have to have a forest-management plan which includes social aspects.

For downstream operations such as wood-processing companies, the requirements are stricter to be SVLK compliant. For example, they must have systems and documents in place to trace the supply of their timber as well as systems and documents in place to trace and document the shipping of timber from the mills.

To get certified, timber-based industries, timber depots, traders including exporters, and small-scale privately owned (household or cooperative) forests must conform to the relevant legality standards. An alternative procedure, the SDoC, can be used to enter SVLK supply chains under certain conditions. This alternative procedure is only open to SMEs and smallholders who deal only with low-risk timber harvested from their own private forests. The SVLK places particular emphasis on document legality adherence, and the certification process should take no longer than 10 weeks. The cost of the assessment process is estimated at Rp 30 million to Rp 114 million per certification, depending on the type and size of business and region (CIFOR, 2014).

Civil society groups acting as independent monitors of the SVLK timber legality assurance system continuously monitor the whole process of assessment of certified timber companies as well as the certification processes.

Following the certification, annual surveillance is required. The SVLK verification has to be renewed every three years, with surveillance visits taking place every year. For small-scale enterprises and low-risk operators, SVLK verification is valid for up to 10 years with bi-annual surveillance. Licencing authorities which are usually verification bodies issue verified legal (V-legal) documents – equivalent to the FLEGT licences – to accompany each consignment of verified legal timber exports from registered operators that hold a valid legality certificate.

Civil society groups acting as independent monitors of the SVLK timber legality assurance
system continuously monitor the whole process of assessment of certified timber companies as well as the certification processes.

2.4.2 Independent forestry monitoring

The credibility of the SVLK as a timber legality assurance system is highly dependent on the achievement of accountability and credibility of the system itself. Independent monitors are one of the major forces in ensuring the accountability and credibility of the SVLK. The system has also put forward civil society groups as independent monitors whose role has been recognised through Minister of Environment and Forestry Regulation No. 30/2016. Monitoring is a series of tasks undertaken to ensure that the supervision of the public service in the field of forestry, such as the issuing of sustainable forest management certificates (S-PHPLs), S-LKs, V-Legal documents for exports and other documents, runs in accordance with the applicable regulations.

Based on regulations, independent monitors could be communities who live in or around a permit holder’s area, forest-rights owners, Indonesian citizens who are concerned about forestry and Indonesia-based NGOs. The monitoring organisations are spread all over Indonesia from Sumatra, Java and Kalimantan to Sulawesi and Papua. They work on their own issues and methods but still have the same goal, which is to guarantee that forest governance in Indonesia runs in accordance with the applicable regulations and legislation and is responsible to the people and the environment. These organisations are actively involved in forestry monitoring activities to ensure equitable and sustainable forest governance in Indonesia.

The MFP3 has been supporting and facilitating independent forestry monitors who actively conduct monitoring in Indonesia, such as the Independent Forestry Monitoring Network – Forest Watch.
Indonesia (JPIK-FWI), Eyes on the Forest (EoF), Sumatra’s Alliance of Independent Forestry Monitors (APIKS), the Center for Environmental and Forestry Education (PPLH) of Mangkubumi, the Green Horizon Foundation Indonesia (YCHI), the Study Circle of Rural Development (LSPP) and AURIGA.

The SVLK implementation monitoring begins with the training of monitors, monitoring of processes, and post-assessment monitoring by comparing the audit results from certification agencies with the field findings. The monitoring results will be compared with the assessment from certification agencies and applicable SVLK regulations. A report could be an NGO’s objection to the issuance of an S-PHPL or S-LK.

This tight monitoring system has been able to uncover some cases of illegal logging conducted by companies with SVLK certification. But often, law enforcement fails to act on the reported cases of illegal logging. Independent monitors have developed an online monitoring and reporting system that can be accessed by all parties within the SVLK. To open space for public participation, the online system provides an SMS (text message) center that is integrated with the system to receive complaints. Presenting data and information through a website, mobile application and operational room in real time is useful as guidance, controlling and decision-making in the future.

2.4.3 Periodic evaluation

To ensure the functioning of the SVLK and to maintain its credibility, a periodic evaluation of the system, termed independent auditing, is conducted at least once a year. Results of the audit may identify ways for the VPA’s JIC to improve the SVLK system. The objective of the evaluation is to provide assurances that the SVLK timber legality assurance system is functioning as described, thereby enhancing the credibility of the FLEGT licences. Periodic evaluation also monitors the overall effectiveness and performance of the SVLK.

The periodic evaluators are expected to produce regular reports of findings together with recommendations for measures to address any gaps and weaknesses they identify. The audit is conducted by an independent auditor appointed by the Indonesian government in consultation with the EU.
2.4.4 Independent market monitoring

The role of the independent market monitoring is to allow VPA partner countries and EU stakeholders to understand the market incentive for entering into and implementing a VPA, and to monitor how the EU and wider international market for FLEGT-licenced timber develops during the lifetime of a VPA.

The European Commission has awarded a five-year contract (2014-2019) to the International Tropical Timber Organization (ITTO) to conduct independent market monitoring. In the reporting period, the chief ITTO consultant visits Indonesia to discuss market monitoring technology and the data on Indonesia that will be regularly compiled.

2.4.5 Impact monitoring

As part of the FLEGT-VPA agreement, the MFP3 assisted the Ministry of Environment and Forestry in developing the design for an impact monitoring (IM) system to make sure that implementation of the SVLK benefits, especially smallholders and small-scale businesses.

In the development process, the MFP3 facilitated public consultations at the national and regional level with participation from members of organisations and associations from the government, private sector, civil society, academia, and media.

The consultation process included an assessment of the vulnerability of various social groups including small and home-based industries, community-based forest groups, and women-owned enterprises including those with disabilities. These groups are exposed to high risks of being affected by the SVLK.

To supervise this monitoring, the Ministry of Environment and Forestry has set up a working group with members from the ministry, civil society organisations and private sector associations.

The working group oversees the development of the terms of reference for the IM service and assessment criteria including overall proposal, methodology, team composition and institutional capacity.
2.5 Reforming forestry information systems

In addition to the independent forestry monitoring, the credibility of the SVLK lies in the transparency of the system. The MFP3 has not only helped strengthen the forest sustainability efforts but has also facilitated a major reform in Indonesia’s forest information system to improve the quality and the transparency of the data on legal timber and wood products that can be accessed by the public.

A number of forest information systems and forest databases have been established as part of the forest information reform programme. They include, among others, the Integrated Production Forests Data Base (SIPHPL+), the Information System for Management of Production Forests (SIKPHP), Social Forestry Navigation System (SFN), the Licencing Information System (SILK Online) and the Online Market Place for Legal Wood.

2.5.1 Information System on Sustainable Production Forest Management (SIPHPL+)

To ensure transparency, the government launched an integrated forestry information system called the Information System on Sustainable Production Forest Management (SIPHPL+) in August 2017.

The SIPHPL+, developed by the Ministry of Environment and Forestry in cooperation with the MFP3, integrates existing online applications such as the Information System of Forest Product Administration (SIHUHH), the Online Information System of Natural Forest Production (SIHPAO), the Information System of Monitoring and Performance Evaluation of IUPHHK-HA (E-Monev of Performance), the Information System of Reporting of Industrial Raw Material Supply Plans, the Timber Legality Information System (SILK) and the Non-Tax State Revenue System (SIPNBP).

These applications were previously implemented and managed separately, and therefore could not trace the “chain of custody” of the timber trade. With the integration of these applications under the SIPHPL+, the new system can provide more accurate information on the chain of custody of timber products from upstream to downstream.

The new information system not only traces sources of timber but also their volume. The volume of the
raw materials a company uses should be the same as the volume of the processed timber products it sells. If the volume of the timber products it sells is higher, there is a possibility that the company is procuring a part of its raw materials from illegal sources. Launched in Jakarta, the system is one of the recommendations by the Corruption Eradication Commission (KPK) to improve governance in the forestry sector.

“SIPHPL+ responds to the public demand for transparent and accurate information on the country’s forest sustainability efforts,” Minister of Environment and Forestry Siti Nurbaya Bakar said during its launch. The minister said she hoped the SIPHPL+ could stop moral hazards in the forestry sector such as unreported logging or trade that caused losses to the state.

Corruption Eradication Commission (KPK) chairman Agus Rahardjo, praised the ministry’s initiative in developing the integrated forestry information system, which he said, could reduce opportunities for fraud or errors in reporting data, which have caused financial losses to the state as well as to the economy.

A KPK study released in October 2017 revealed that a huge amount of undeclared logging accounted for between 77 per cent and 81 percent of all timber logging in Indonesia. The study estimated the commercial value of undeclared logging at between $60.7 billion and $81.4 billion between 2003 and 2014. The study also estimated the government’s loss of revenue from unpaid forestry fees at between $6.5 billion and $9 billion over the same period.

The same study indicated that the official statistics on timber production capture only a small fraction of what is cut down. The new information system is expected to capture some of this unreported logging. The functioning of the integrated forestry information system, however, will still depend on the compliance of all users in strictly following the system’s data reporting procedures.

2.5.2 Information System on Production Forests (SI-KPHP)

In order to ensure good management of the production forests, the Ministry of Environment and Forestry, with the help of the MFP3, is developing an
information system that will provide information and data on the management of production forests in the country.

The Information System on Production Forest Management Unit (SI-KPHP) is managed by the Directorate of the Forest Management Unit at the Directorate General of Sustainable Production Forest Management. The web-based information system, which can be accessed through http:/ /kph.or.id, contains a trove of information related to production forests such as forest areas, their location, their potential and KPHPs’ strategic development plans of their production forests. Besides providing the information, the website also features a discussion forum for forestry officials and relevant stakeholders to share their experiences.

With such complete information and features, the website can be used as an important tool in providing supervision of the utilization and operation of production forests. For investors, the website is the right medium through which to find and explore business opportunities offered by the existing production forests.

2.5.3 Dashboard for Buleleng forests

Having the largest forest resources in Bali, Buleleng regency has been named as the model for the implementation of the Social Forestry and People’s Timber Information System in the country.

To support the program, the MFP3 also facilitates the development of a web-based database and information system to map the potential of social forestry in Buleleng regency.

The information system, available via http://kayurakyatbuleleng.or.id, provides information on owners of the forests, their GPS coordinated locations and types of timber. The Buleleng web-based information system is expected to set a good example for other locations in the country with high potential for social forestry and can be used to strengthen forest
2.5.4 Licencing Information Unit (SILK Online)

The Ministry of Environment and Forestry has launched the Licencing Information Unit (SILK) a web-based information database on Indonesia’s timber legality assurance system.

The information system, also called SILK Online, can be accessed through the ministry’s website http://silk.dephut.go.id. It was designed to improve transparency in the issuance of the V-Legal documentation, as well as to provide real-time data and information related to timber legality verification.

SILK Online is connected with INATRADE, the trading information system applied by the Ministry of Trade, and the Indonesia National Single Window (INSW) system applied by the Directorate General of Customs and Excise at the Ministry of Finance.

2.5.5 Online Marketplace for Legal Wood

The MFP3 is developing an online marketplace to help promote Indonesia’s sustainable and certified wood products to a wider market audience as part of its third phase programme in Indonesia.

Through the website www.legalwoodmarket.com, producers can trade different types of wood products in the form of logs, sawn timber and furniture sets. For buyers - whether they are individuals or companies - the website provides an easier way to find certified wood products.

The product categories comprise Forest and Logs, Decorative, Panel and Sawn Timber and Furniture. There are 19 product items currently on display, which mostly comprise furniture and sawn timber. This online market place is expected to help promote the sales of certified wood products produced by community-based forest enterprises (CBFEs) in the country. The MFP3 has facilitated at least 96...
groups of CBFEs in private and community forests in Java and outside of Java. The total number of individual farmers and crafters facilitated to obtain their certification in Java is 9,975 farmers with a total forest area of 13,271 hectares, 150 crafters and nine timber depots.

2.6 Expanding domestic market

As V-legal document is currently mandatory only for exports, the MFP3 has assisted the Ministry of Environment and Forestry in expanding the trade in legal wood into the domestic market, especially into the government procurement market.

The MFP3 facilitated the ministry in engaging the Agency for Procurement of Government Goods and Service (LKPP) to expand the implementation of the green procurement policy by mainstreaming the use of SVLK-certified timber products in public procurement. After a series of meetings, the LKPP has included SVLK timber products in its e-catalogue.

As the government agency in charge of reforming the public procurement process in Indonesia, the LKPP has the strategic role of setting the policy mandating procurement of SVLK-certified products for government agencies. The MFP3 has also worked with a number of local governments that have pioneered policies on mainstreaming the SVLK as a requirement for their public procurement policies. The regencies of Jombang, Buleleng, Klaten and all regencies in Yogyakarta have adopted such pioneering regulations that make the SVLK a requirement for public procurement of timber products.
2.7 Capacity building

The MFP3 has supported training and technical assistance for government officials, civil society representatives, SME owners and staff to enhance their knowledge and understanding of the SVLK. These activities have been conducted in 12 provinces, which were the targets for SVLK acceleration activities.

The MFP3 has also supported refresher training for assessors and representatives from verification institutions. The MFP3 has also supported training for extension workers and focal points to assist the SVLK process for community-based forest institutions. In addition, the MFP3 has cooperated with several local universities to build the capacity of the human resources on the certification and verification of legal timber and wood products. The MFP3 has especially supported universities interested in introducing the SVLK as a subject into their undergraduate level curricula.

The universities are Nusa Bangsa University (UNB) in Bogor, the University of North Sumatra (USU) in Medan, and Mulawarman University (UNMUL) in Samarinda, and the Agriculture Polytechnic School in Samarinda. These four institutions have applied different approaches in incorporating the SVLK into their curricula.

The curricula, syllabuses and course modules have been piloted and tested in classroom lectures as well as in fieldwork. One of objectives of the SVLK course is to provide knowledge about the SVLK regulation and basic skills as an SVLK’s auditor.

▶ Multi-stakeholders engage in public consultation on a Ministry of Environment and Forestry draft regulation about the trade in legal timber.
Sasmiatun started out her furniture business in Jepara, Central Java, with an order from an American buyer back in 1999. She went from one workshop to another to meet the order. She bought furniture from one supplier, had it finished and packed in another workshop and then shipped it to the buyer, using the services of a trading company.

When more orders came, she decided to start up her own workshop to meet the demand. Initially, it was a 200-square-metre workshop, now it is 15,000 square metres, complete with all the necessary machinery and equipment to produce good quality furniture for exports. Until recently, all of Sasmiatun’s furniture was for export under the name of Surya Alam Semesta, or SAS, which is her nickname.

Then, some buyers started to ask her to get FSC certification. Otherwise, they would stop buying from her. Thus, she looked for information about the FSC, and found out that FSC certification was just not for her because her main supplier, state plantation company Perhutani, was not FSC certified. “I was informed by my banker that instead of pursuing the FSC, I should join the SVLK certification. He told me at that time that the SVLK certification would be applied to all players in the supply chain of the timber export business,” she said during an interview.

In the meantime, SAS took part in the SPOGA expo, an international expo specifically for outdoor furniture in Cologne in Germany in 2013. She financed her participation in the expo by herself because “I wanted to get more buyers from Europe.” Most buyers who stopped by her booth would ask her: “Are you certified?” And her answer, “Yes. In the process.” Some buyers would ask again “FSC certification?” and her answer was, “No. SVLK.”

Back in Indonesia, Sasmiatun immediately applied for the SVLK. While waiting for verification by a private verification body, one of the prospective buyers from Europe who visited her booth came to visit her workshop. This customer turned out to be a big buyer. He placed a substantial order with SAS, but said he would not execute the order unless SAS was certified.

SAS then got audited for the SVLK. And 14 days later, an email was sent to Sasmiatun, “Congratulations” SAS had passed the SVLK audit. “I forwarded this congratulatory email to the buyer.” And the answer was just, “OK thanks.” But two days letter, I was informed by my banker that I had got the down payment for my order.” Sasmiatun said the SVLK had helped SAS continue to export more furniture to buyers in Europe. Now, she has two export shipments every month. Although the number of shipments is not as many as before 2009, the demand for her SVLK certified furniture is there and rising.

The SVLK has had another positive impact on SAS: It has helped improve the quality of the company management and improve efficiency. Because of this, SAS won the Paramakarya Award in November 2017 for a small and medium company that provided decent employment opportunities for people around its operations.
SVLK opens many opportunities for SMEs

Wibi Romansa, 24, a small furniture businessman in Ngawi, East Java, several times failed to get selected to join a furniture expo in Jakarta. He later found out that the winners were all SVLK certified small and medium furniture businesses. He then looked for information about the SVLK and with the help of an NGO from Yogyakarta, Wibi’s furniture business – Romansa Jati – finally got its SVLK certificate in 2013. Since then, every year, he has won selection to join the IFEX or IFINA expo free of charge.

From the Expo, Wibi got an order for exports to Belgium. However, his father, Joko Sutopo who started up the furniture business, opposed his plan to export because of his father’s bad experience with exports. “I think he was traumatized by his experience with exports. Once, he got cheated when he exported furniture to Singapore through the services of a middleman. He never got paid,” Wibi said.

But after a long argument, Wibi said, his father gave him a chance to conduct direct exports. “I found out that engaging in direct exports is not that complicated, especially if you are already SVLK certified, all documentation for the exports is with you. So, the SVLK really helps you in exporting,” said Wibi. Wibi also found that that it was actually cheaper to make the exports by himself rather than using the services of a broker. “When you do it under the name of a broker, everything is determined by the broker, even the prices. You do not know what prices the buyers actually pay for your products. You get it from the brokers.” On average, Romansa Jati has three shipments for export every year.
Social forestry and the SVLK are the government’s two signature forestry programmes, and the MFP3 has been involved in these from the beginning. Both play a key role in Indonesia’s global commitment to achieving Sustainable Development Goals (SDGs) and reducing the country’s greenhouse gas emissions.

Through social forestry, the government initially aims to convert a total of 12.7 million hectares into social forests to improve the livelihood of millions of low-income people living in and around forest areas. Although the figure was later revised down by the Ministry of Environment and Forestry to 4.3 million hectares, when implemented fully, this policy will help Indonesia meet several of its SDGs, a global initiative set up by the United Nations designed to end poverty, tackle climate change and fight inequality.

Meanwhile, the government’s policy of strengthening forest governance by raising the SVLK to be on a par with EU standards is an effort to ensure the sustainability of
Indonesia’s forests and therefore help Indonesia meet its target in Reducing Emissions from Deforestation and Degradation (REDD+)

In addition to combating climate change, the SVLK is also said to have contributed to the country’s efforts to meet other SDG goals, namely sustainable consumption and production as well as sustainable management of forests. Social forestry and the forest governance policies of the SVLK are part and parcel of the government’s medium-term development plan 2015-2019, with a focus on three development dimensions: social development, economic development and environmental development, supported by the provision of access to justice and good governance.

3.1 Meeting Sustainable Development Goals

The SDGs are a universal set of 17 goals designed to end poverty, protect the planet and ensure prosperity for all. Each goal has specific targets that UN member states need to achieve by 2030. SDGs, also known as Global Goals, adopted by world leaders in a UN summit in September 2015, follow and expand the Millennium Development Goals (MDGs) that were agreed by governments in 2001 and which ended in 2015. The new goals call for action by all countries, rich, poor and middle-income to promote prosperity for all.

To achieve SDG goals, each nation needs to incorporate them into national development planning, with all goals and sub-goals being treated as equally important. Armida Alisjahbana, professor at Padjadjaran University and director of the university’s Center of Sustainable Development Goals Studies (SDGs Center) in her opinion piece published by *The Jakarta Post* in 2016 stated that although progress had been made, challenges remained. These challenges were poverty and inequality, unemployment and environmental issues.

Indonesia, in its voluntarily national review of its SDGs 2017, focused on two central aspects of improving human resource development and enhancing

17 SDGs

1. End poverty in all its forms everywhere.
2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
3. Ensure healthy lives and promote well-being for all at all ages.
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls.
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.
10. Reduce inequality within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Ensure sustainable consumption and production patterns.
13. Take urgent action to combat climate change and its impacts (taking note of agreements made by the UNFCCC Forum).
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss.
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17. Strengthen the means of implementation and revitalize the global partnerships for sustainable development.
economic opportunities for sustainable livelihoods. Indonesia specifically highlighted its policy of helping small-scale fishermen in an effort to spread economic opportunities for sustainable livelihoods. (Sustainable Development Knowledge Platform, 2017).

3.1.1 Social forestry supporting SDGs

Drawing on a parallel policy for small-scale fisherman, Indonesia’s social forestry policy has had a similar, if not greater, impact on providing sustainable livelihoods to 10.2 million low-income people living in and around forest areas.

Through improving people’s livelihoods, the social forestry policy can help Indonesia meet the global goals, especially SDG 1, ending poverty in all its forms, and SDG 2, ending hunger, achieving food security and improved nutrition, and promoting sustainable agriculture.

With the targeted 4.3 million hectares of social forests, the government could address many issues around forestry, including alleviating poverty for the millions of people living in and around these forests and at the same time pursuing inclusive economic growth in rural areas.

The KPHs, as the lowest level government institutions serving the people, have become more relevant in the social forestry program as they provide a platform for all stakeholders, especially local people and adat communities, to decide upon the management of their own areas. They also provide a support system for local people to become better entrepreneurs and thereby improve their livelihoods.

Many of the 15 KPHs that are facilitated and supported by the MFP3, for example, have transformed themselves into forestry units that pursue business innovation from resources inside their forests while at the same time maintaining the integrity of their
Foresters water sandalwood seedlings inside KPH Alor Pantar, East Nusa Tenggara
forests. One of these is the Minas Tahura KPHP in Riau province, which has developed non-timber products, such as pepper, medicine and honey, aside from planting jabon trees to increase the community’s economic welfare.

Zailani, technical unit head of KPHP Minas Tahura, stated that the platform being developed was multibusiness, from plants to animals, from timber to non-timber. “We need to protect plants and animals because this is also for the people’s welfare. 1 Each KPH has the authority to develop business schemes suitable for their respective areas and in this way they ensure that the practices bring economic benefits while at the same time protecting the forests.

The slogan “Masyarakat Sejahtera, Hutan Lestari” (Prosperous Community, Sustainable Forest) coined by the MFP3 to promote SVLK certification, derives from its efforts to encourage local initiatives to grow economically but also to preserve the forests through social forestry. The tenurial access granted under the social forestry program also entails certain responsibilities. People given tenurial access to social forests are now legally subject to all regulations on social forestry. In this way, people are expected to manage their forests sustainably for their own future benefits. Thus, they are expected to help protect their forests from deforestation and forest degradation.

In this way, social forestry has made an important contribution to SDG 15: to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss. These are indeed the long-term benefits of social forestry.

Social forestry, through its long-term benefits, could solve several urgent problems, such as, poverty alleviation for people living within and near forests, preventing land conflicts between people and the government and between local communities and businesses, and reducing deforestation as people help to maintain the forests for their own benefits.

1. Interviewed in KPHP Minas Tahura short movie produced by the MFP.
THE SOCIAL FORESTRY PROGRAMMES HAS THE POTENTIAL TO HELP THE GOVERNMENT ACHIEVE THE FOLLOWING SDG GOALS AND SUB-GOALS:

**End poverty in all its forms everywhere**
- Eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day
- Reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

**End hunger, achieve food security and improved nutrition, and promote sustainable agriculture**
- End hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
- End all forms of malnutrition

**Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all**

**Reduce inequality within and among countries**
- Progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

**Ensure sustainable consumption and production patterns**
- Achieve the sustainable management and efficient use of natural resources

**Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss**
- Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
THE SVLK SYSTEM HAS ADDRESSED THE FOLLOWING GLOBAL GOALS AND SUB-GOALS:

**Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.**
- Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
- Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

**Ensure sustainable consumption and production patterns**
- Achieve the sustainable management and efficient use of natural resources
- Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- Promote public procurement practices that are sustainable, in accordance with national policies and priorities

**Take urgent action to combat climate change and its impacts**
- Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- Integrate climate change measures into national policies, strategies and planning

**Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss.**
- Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
- Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation

**Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and built effective, accountable, and inclusive institutions at all levels.**
- Substantially reduce corruption and bribery in all their forms
- Develop effective, accountable and transparent institutions at all levels
- Ensure responsive, inclusive, participatory and representative decision-making at all levels
- Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
3.1.2 SVLK supporting SDGs

Launched in 2003, the SVLK has become a strong tool in protecting Indonesia’s forests and improving the livelihood of those working in the forestry sector, particularly since Indonesia’s agreement with the EU on the VPA-FLEGT in 2016. The VPA emphasizes the sustainability of forests and the sustainability of the livelihoods of people living in and near forests. Consequently, the VPA covers very broad areas of sustainability, from democracy and justice to jobs and welfare, peace and security to climate change and biodiversity conservation. And all elements of the VPA have to be adopted into Indonesia’s law and regulations.

Putera Parthama, director general of sustainable production forest management at the Ministry of Environment and Forestry, noted that the SVLK system contributes to meeting the SDGs, especially SDG 12 on sustainable consumption and production patterns, SDG 13 on combating climate change and SDG 15 on sustainable forest management. “The SVLK has two sides, legality and sustainability. Most people don’t really understand this and believe it only deals with legality. But, this is not just about putting a stamp [on a timber product], this is about sustainability,” Parthama said in his remarks to Conference of Party (COP) 22 global climate change conference in Marrakech.

Alison Hoare, a researcher from Chatam House, wrote an analysis back in 2016 on the SVLK’s contribution to meeting Indonesia’s commitment on the SDGs, especially SDG 8, on providing decent work and economic growth, which also includes sub-goal 8.3 on encouraging the growth of small enterprises. Hoare noted that the social forestry element in meeting SDG 8 is contributed by the hundreds of thousands of forest enterprises in the country, many of which – particularly small-scale businesses – operate informally.
“Concerted efforts are needed to ensure that these enterprises are not excluded from the formal market, but are able to contribute to a thriving economy - for example, through continued support for certification, as well as much greater investment in the provision of extension services and further reforms to establish a policy framework that facilitates the growth of small businesses,” wrote Hoare (Chatam House, 2016).

The Ministry of Environment and Forestry has made special efforts to bring the many forest small businesses into the SVLK system, including by providing funding for them. The ministry, for example, allocated a total of Rp 33 billion for its initiated SVLK Acceleration Program in 2015 (Kontan, 2015).

The programme comprises activities such as mapping, training, gap assessment and certification, which should speed up the process for private forests and SMEs that export furniture and primary industries with capacities up to 6,000 cubic meters per year.

Agus Sarsito, a senior advisor to the MFP3, said that the criteria of the SVLK, though far from being perfect, already included human rights issues, especially in labour rights, which is in line with SDG 8 sub-goal 8.8, on protecting labour rights and promoting a safe and secure working environment for all workers.

“The criteria are very clear about salaries. So, if you have obtained the certification it means that you look after your employees,” added Sarsito.

Alison Hoare also noted that effective land-use planning, including transparent and participatory decision-making, was needed to achieve sustainable and efficient use of natural resources and slow down deforestation. This, she added, was in line with SDG 12 on responsible consumption and production and SDG 15 on sustainable management of forests.

The SVLK has also improved transparency in the forestry sector through the various information systems developed by the Ministry of Environment
and Forestry, with the help of the MFP3, to support the SVLK, including the SIPHPL+, SIKPHP, SFN and SILK Online.

These information systems are strengthened by a strong monitoring system under the SVLK, which involves civil society groups and communities around the forests as independent monitors. The presence of independent monitors is one of the major forces in ensuring the accountability and credibility of the SVLK.

With improved transparency and a strong monitoring system, the SVLK also plays an important role in preventing or reducing corruption in the forestry sector. According to Parthama, the SVLK has abolished the roles of the many middlemen in the forestry trade, especially in exports, and therefore reduced the costs to small businesses.

The roles of the SVLK in improving transparency and thus preventing corruption are in line with the SDGs, as improving governance is a priority under the SDGs. The SVLK therefore helps the government achieve SDG 16 on peace, justice and strong institutions, including sub-goals on reducing corruption, developing transparent institutions and ensuring public access to information.

3.2 Combating climate change

Indonesia has made a strong international commitment to fighting climate change. Based on its national climate action plan or Nationally Determined Contribution (NDC) to the UN, Indonesia has pledged to reduce its greenhouse gas emissions by 29 per cent by 2030 against a business-as-usual baseline scenario, and up to 41 per cent subject to international assistance and financial support.

As one of the world’s largest emitters of greenhouse gases and contributors of forest-based emissions, Indonesia’s commitment and good progress in achieving its national climate pledges will be critical in holding the planet’s temperature rises in check. In its 2015-2019 medium-term development plan, the government has set out several climate-mitigation and adaptation targets, which are translated into domestic targets for climate action. Also, the government has increased the budget for these
climate-mitigation and adaptation efforts, as well as introducing fiscal policies to reduce emissions in energy and land-use.

So far, Indonesia’s land-use changes of forest areas into plantations and other uses, and peatland fires are the two largest contributors to the nation’s carbon emissions. In addition, illegal logging and the expansion of industrial timber plantations resulting in forest degradation have also been cited as major contributors to the emissions. Currently, the government’s forest moratorium on clearing and conversion of primary forest and peatland as well as its restoration of peatland areas have been considered to be the biggest mitigation efforts and therefore have contributed a great deal to meeting Indonesia’s commitment to reducing greenhouse gas emissions. In addition, the government’s two signature forestry policies of social forestry and SVLK forest governance have also contributed to achieving greenhouse gas emission reductions.

3.2.1 Social forestry contribution to reducing deforestation

The long-term benefits of social forestry could solve the many problems facing people living in and around forests, from tackling poverty and reducing land conflicts to reducing deforestation. It is this reduction of deforestation and land degradation through the social forestry programme that will help the government meet its international commitment to fighting climate change. The next question is how the social forestry programme can reduce deforestation.
When people are involved in managing their own forests legally – as they do through tenurial access granted by the social forestry programme – they will not get involved in illegal logging. Instead, they are expected to protect their parts of the forests in their own interests. Also, the granting of tenurial access to forests to these people in and around the forests entails specific responsibilities as outlined by the government regulations on social forestry, which govern how people should manage their forests sustainably.

The government’s active supervision of communities holding social forest titles in abiding by social forestry rules is important in making sure that the people protect their forests. At the lowest level, this supervision role is carried out by the respective KPHs. However, supervision is not the only role, a KPH should also actively engage its communities in activities that prevent deforestation and land degradation.

Many KPHs in the country go even further, by adopting programs that prevent deforestation and land degradation, such as preserving water catchment areas, preventing forest fires and drawing up reforestation programs. Several have integrated the climate change agenda into their programmes.

The KPH in Sarolangun in Jambi, for instance, aims to develop the REDD+ programme as one of its planned 10-year strategic activities on its 10,000 hectares of forest. The forest will also be dedicated to developing timber products, rubber plantations, jabon tree cultivation, tourism, micro-hydro power plant development and deer breeding.
The KPH in Alor Pantar in East Nusa Tenggara, whose area is dominated by protected forests, has drawn up a 10-year strategic plan that regulates selected logging, rehabilitation and the replanting of protected forests, and forest protection from forest fires and timber theft. Tackling forest fires is also a priority program of the Minas Tahura KPH in Riau and the Rajabasa KPH in Jambi as their forests are located in areas prone to forest fires.

The Banjar KPH in South Kalimantan and Batulanteh KPH in West Nusa Tenggara both focus on preserving water catchment areas as part of their efforts at conservation. Meanwhile, the Sorong KPHP in West Papua, whose area covers community forests and village forests, has included forest protection and natural conservation to reduce damage from degradation and deforestation into its 10-year strategic plan. All these KPHs listed here are among the 15 KPHs that have received assistance from MFP3.

### 3.2.2 SVLK contribution to reducing greenhouse gas emissions

The connection between the SVLK and fighting climate change has been recognized by FLEGT-VPA between Indonesia and the EU. The VPA states that its implementation shall reinforce sustainable forest management and contribute to REDD+ (VPA, 2014).

The SVLK and FLEGT are all about traceability in the timber trade, making sure that timber comes from legal forests, and that timber legality is linked to sustainability by making sure timber and wood products traded in the market are managed or harvested in a sustainable way. EU Ambassador to Indonesia and Brunei Darussalam Vincent Guérend recognised the link between the SVLK and climate action during the commemoration of the first anniversary of the FLEGT-VPA implementation in Jakarta in early December 2017.
“We are here to celebrate the success, we are proud of the success. We also continue to build trust, it’s good for the consumer, it’s good for the planet,” he said in a press conference. “Indeed, the whole FLEGT mechanism is about, at the end of the day, protecting forests because they are a big carbon sink, capturing carbon and this is key to fighting climate change,” the ambassador said. “That’s the link between timber and climate change.”

In the end, Guérend said, the real challenges were no longer deforestation or forest fires but rising sea levels, country-scale ecosystem degradation, climate extremes such as storms, drought and flooding, starvation, conflicts and migration, which have become worse as a result of climate change.

In the same event, UK Ambassador to Indonesia, ASEAN and Timor Leste Moazzam Malik added that the SVLK programme aimed to protect and preserve Indonesia’s forests, which are important not just for the country but for the whole world. “The programme is working successfully to preserve Indonesia’s forests, to open up the industry and boost employment in Indonesia,” he said.

Concurring with the ambassadors, the Ministry of Environment and Forestry’s Parthama explained the SVLK was designed as a tool to combat deforestation, and therefore contributed to efforts at combatting climate change. “Forest damage has increased gas emissions. Therefore, with a better management of our forests, we are reducing deforestation, hence reducing gas emissions,” Parthama said during an interview.

To investigate the connection between the SVLK and climate action, with support from the MPF, Rizaldi Boer and his team (2018) from carbon and environmental research institution CERINDONESIA recently conducted a study on the potential contribution of the SVLK to greenhouse gas emission reduction from permanent production forests (MFP3 Report, 2018).

The research was basically a desk study to identify drivers of deforestation and forest degradation in all 34 provinces of Indonesia. Out of those drivers, the study focused on greenhouse gas emissions resulting from illegal activities in forests.

The study found 0.83 million hectares per year of deforestation and forest degradation in the period of 2006-2009 before the SVLK policy was implemented. After the SVLK was implemented, the deforestation and forest degradation rate fell to 0.6 million hectares per year in the period of 2010-2013. With the two periods as baseline, the study said, the certification policy potentially contributed a total of 4.86 million tons of CO2e emission reduction per annum. Although the data was still an early estimation due to the limitation of the sufficient and available data, the study concluded that SVLK contribution was approximately 8-10% of the total amount of Indonesia’s target plan to reduce carbon emission.

The government has increased the budget for these climate-mitigation and adaptation efforts, as well as introducing fiscal policies to reduce emissions in energy and land-use

The study concluded that an increase in the number of certified companies resulted in a decline in customers for illegally obtained timber, and thus led to a reduction in illegal logging. Through such reductions in illegal logging and thus forest degradation, the SVLK contributes indirectly to the reduction of greenhouse gas emissions. The SVLK’s impact on emission reduction also depends on other forestry programmes, as the study also analyses other indicators, including the application of environmentally friendly technology, community empowerment and increases in people’s income.

The study, however, noted that results on the link between the SVLK and emission reductions had a low level of trust as the baseline was not ideal in representing the impact of the SVLK on greenhouse gas reduction as it was shorter than 10 years. Parthama said, however, that even if the SVLK had a direct impact on reducing emissions through better forestry governance, the SVLK alone was not enough to achieve Indonesia’s commitment to reducing gas emissions from forestry. It needs to be backed by other efforts – most notably social forestry programmes – to meet the government’s target of 17 per cent greenhouse gas reduction from the forestry sector alone.
CONCLUDING NOTES

SAFEGUARDING GOOD GOVERNANCE

Indonesia’s timber legality assurance system, the SVLK, is a big success. It has transformed Indonesia from a country infamous for illegal logging into one of the biggest exporters of legal timber and wood products. Years of gruelling and yet rewarding experience through multi-stakeholder processes, facilitated by the MFP3, have turned Indonesia’s SVLK into a globally recognized market system for sustainable forest management.

The SVLK has become the basis for the timber legality assurance system under Indonesia’s FLEG-T-VPA with the EU. Through the VPA, Indonesia was the first country in the world to issue FLEG licences for its timber products exported to the EU, automatically meeting the EU’s strict legality requirements.

While FLEGT licensing was an important goal, it was not the VPA’s end point. Forest governance
Women work inside plywood factory. MPF3 has a commitment to ensuring there are no barriers to women and other vulnerable groups in getting involved in its projects.
reforms, impact monitoring, continual improvements to the timber legality assurance system, efforts to improve transparency and other activities continue.

The SVLK has also required a major transformation of mind-sets among officials and the public including the business sector – that the Ministry of Environment and Forestry demands, enforces and rewards transparency and accountability for exported timber – instead of being a protector of illegal businesses, devastating Indonesia’s forests and robbing the nation through mega-scale corruption.

During the commemoration of the first anniversary of the FLEGT licencing in November 2017, Minister of Environment and Forestry Siti Nurbaya Bakar called for an evaluation of the SVLK as a system to address problems surrounding its implementation.

“One year after the launch of the FLEGT licencing scheme, now is the right time to assess its implementation so we can amplify the success and address any teething problems,” Minister Siti Nurbaya said, pointing to the problem of suspected massive under-reporting of logging. One of the problems plaguing the SVLK is emerging cases of illegal logging found inside SVLK-certified concession areas. Independent monitoring groups, which consist of civil society groups, have played their part in reporting suspected illegal logging cases. Now it lies with law enforcement to act.

Also, reports on the discovery of illegal wood infiltration into the process of certification in several wood-processing units should receive a prompt response. Strict sanctions should be imposed on those committing violations, without compromise. If such reported cases of illegal logging and also infiltration of illegal timber into the SVLK system are not dealt with immediately and strongly, it could undermine the SVLK system.

As pointed out by Putera Parthama, director general of sustainable production forest management at the Ministry of Environment and Forestry, the global trust gained by Indonesia is too valuable to be spoiled by a couple of cubic meters of stolen wood. Therefore, Parthama has called on all timber business players to help protect the SVLK system by consistently following the guidelines stipulated in the licencing scheme.

Such cases of illegal logging may not be traced whenever illegally felled timber comes from non-certified forests and is traded domestically. Currently, the SVLK is mandatory only for timber destined for export. Its implementation for the domestic trade will be pursued only gradually. There are many more challenges in the implementation of the VPA and strengthening of the SVLK, such as how to include as many small timber operators in the system, how to address often cumbersome licencing issues in local government, and how to bring down the cost of licencing and its renewal, especially for small timber operators.

Those challenges, however, are minor, compared with the achievement of the SVLK so far. Also, under the VPA, the SVLK has a mechanism to address those challenges through the JIC. Established in 2014, the JIC has been instrumental in facilitating activities in support of the VPA implementation. The MFP3 has been managing the JIC secretariat since its inception in 2004 and will transfer it to the Ministry of Environment and Forestry in 2018 when the MFP3 ends.

With the transfer of the JIC secretariat to the ministry, the MFP3 has fully completed its duty of safeguarding the SVLK through the MFP3’s signature multistakeholder consultations, since its inception in 2003 led by Indonesian civil society groups to the adoption by the government in 2009 and to the recognition by the EU in its FLEGT licence. As a result, the SVLK is indeed a success story.
Safeguarding social forestry

The social forestry policy is unprecedented in Indonesia, giving people and communities legal access to state forests through a number of social forestry schemes. Yet, implementation has been challenging. Since the adoption of the social forestry policy, more communities have received their tenurial licences for forests near them. President Jokowi himself has distributed the tenurial certificates to local communities as well as to a number of adat communities, something that had never happened before.

However, looking at the figures, they are far from heartening. As of the end of 2017, social forestry areas amounted to 1.33 million hectares, far from the target of 12.7 million hectares. So, the process of licencing has been slow, buried in cumbersome bureaucratic processes. Minister Siti herself admitted at the end of 2017 that President Jokowi’s target was unrealistic and that by the end of his presidency, the permits could be issued for only 4.3 million hectares of social forests (The Jakarta Post, 2018).

Indonesia’s current forestry bureaucracy is a remnant of a top-down forestry regime that had been supporting big business interests by granting them exploitative forest concessions since the New Order government took power in late 1960s.

Only after President Jokowi launched the social forestry a priority programme did the government create the Directorate General of Social Forestry and Environmental Partnership under the Ministry of Environment and Forestry to take care of the interests of the people. Now, bureaucrats have to serve the people and communities around the forests who in the past were regarded as their enemy. Bureaucratic process and limited fund had caused many delays in granting the people tenurial licenses to forests near them, leading to the slow progress in reaching the ambitious target.

“How our problems now are more technical such as bureaucracy rather than political will,” said Suraya Afiff. “With a strong will, these problems can be solved.” Giving legal tenurial access is one thing, but the more important thing is empowering the people, giving them skills needed to manage the forests, providing them with finance and creating for them the market for their products.

The forest management unit (KPH), as the lowest-level government institution serving the people in the social forestry program, has played an increasingly important role in achieving one of social forestry’s objectives, improving people’s welfare. However, the reality on the ground tells a different story. It all depends on the creativity and entrepreneurship of KPH managers, the civil servants who were little more than “paper stampers” in uniform for people requesting permits, but who are now suddenly expected to serve communities and support them in efforts to improve their welfare.

How to step up the multi-stakeholder assistance to cover many more KPHs and communities in the social forestry scheme

The initial phase of the social forestry scheme – after the granting of tenurial rights – has exposed challenges in instilling entrepreneurship in communities who were largely subsistence farmers, and also among KPHs.

As the KPH Sumbawa head, Julmansyah said, “The question of whether our communities have improved their welfare and can now be self-sufficient is a very difficult one.” However, social forestry has provided many opportunities for people and communities living in and around the forests, ranging from bee harvesting to nurturing local specialty produce such as coffee and cocoa or creating eco-tourism clusters inside conservation forests.

Many farmers have succeeded in becoming more independent, Julmansyah said, in cutting the long chain of one particular valuable commodity, beeswax. Instead of importing the much-needed candles for...
Farmer shows his produce, the nutmeg, harvested from nutmeg plants inside KPH Dolago Tanggunung in Central Sulawesi.
year-end festivities from Australia, consumers can buy local products, as farmers have succeeded in opening their own shop in Denpasar, selling their products made from local bees.

Social forestry schemes for the future could also be designed to resolve local forestry issues and conflicts. However, this will require a lot of effort and help and even intervention from various stakeholders, especially from civil society groups to devise conflict settlements.

The KPHs, which used to be the central government’s extension units to support forest management at the local level, have been transferred to provincial governments, and they need the full support of their respective governors to be successful. The incentive for successful KPHs with social forestry schemes may be in the recognition of governors – and maybe also regents – and their administrations where the schemes can considerably change communities for the better.

In the longer term the utmost incentive for social forestry will lie in the stronger credibility of the state and government, which through the schemes have taken advantage of a crucial opportunity to be able to slowly win back the trust of local communities.

Given the challenges of working with the KPHs and communities, an urgent question for the near future is how to involve as many relevant stakeholders as possible in a national drive to improve the quality management of KPHs and communities around them. Because KPH’s involvement in the social forestry program is relatively new, the contribution of civil society groups in the capacity-building of KPHs is not well coordinated. As a result, some KPHs have been well assisted while others have not.

The MFP3, for example, is currently assisting only 15 KPHs – out of 200 KPHs across the country.

The MFP’s main focus has been on increasing the capacity of KPHs while improving relations among all stakeholders.

So, the next issue is how to step up the multi-stakeholder assistance to cover many more KPHs and communities in the social forestry scheme, particularly given the proliferation of KPHs as well as the relatively small number of KPHs that have received such assistance. The assistance from various civil society groups as well as businesses and the government should be well coordinated so that they equally target all KPHs so that each KPH gets the right assistance according to its needs.

Agus Isnanto Rahmadi, head of the ministry’s general services unit (BLU), the body managing grants from the government’s Reforestation Fund, has supported the proposal to extend the MFP programme. He argues that the MFP3 has played a pivotal role in helping channel BLU funding into the right KPHs.

The MFP3 has been helping both KPHs and the BLU in the process of match-making, Agus said. The MFP3 helps KPHs and communities in identifying potential business from surrounding resources and in drawing up the proposals. At the same time the MFP3 facilitates the BLU in the drafting of necessary regulations as an intermediary institution and trains its ground staff in effective distribution of funds.

“We hope the MFP continues to encourage relevant institutions such as KPHs and forestry offices to prepare institutional readiness and entrepreneurship of local farmers,” Agus said. Such a multistakeholder process involving all necessary stakeholders needs to be replicated to safeguard the implementation of the social forestry program. This programme is too important to fail.
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AMAN</td>
<td>Nusantara Adat Communities Alliance</td>
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<td>APIKS</td>
<td>Sumatra’s Alliance of Independent Forestry Monitors</td>
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<td>ASPEK JA</td>
<td>Aceh Association of Jabon Developers</td>
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<td>BLU</td>
<td>Public Service Agency</td>
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<tr>
<td>BUMD</td>
<td>local government-owned companies</td>
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<td>BUMN</td>
<td>national state-owned companies</td>
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<td>CABs</td>
<td>conformity-assessment bodies</td>
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<td>CBFEs</td>
<td>community-based forest enterprises</td>
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<td>DFID</td>
<td>United Kingdom’s Department for International Development</td>
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<td>EoF</td>
<td>Eyes on the Forest</td>
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<tr>
<td>EUTR</td>
<td>EU Timber Regulation</td>
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<tr>
<td>FLEG</td>
<td>Forest Law Enforcement and Governance</td>
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<tr>
<td>FLEGT</td>
<td>Forest Law Enforcement, Governance and Trade</td>
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<tr>
<td>HKM</td>
<td>community forestry</td>
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<td>ICEL</td>
<td>Indonesian Center for Environmental Law</td>
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<td>IDS</td>
<td>Institute of Development Studies</td>
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<td>INSW</td>
<td>Indonesia National Single Window</td>
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<td>ITTO</td>
<td>International Tropical Timber Organization</td>
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<td>JIC</td>
<td>Joint implementation committee</td>
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<tr>
<td>JPIK-FWI</td>
<td>Independent Forestry Monitoring Network – Forest Watch Indonesia</td>
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<tr>
<td>Komnas HAM</td>
<td>National Commission on Human Rights</td>
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<tr>
<td>KPHLs</td>
<td>state conservation forests</td>
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<td>KPHP</td>
<td>production forest management unit</td>
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<tr>
<td>KPHs</td>
<td>forestry management units</td>
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<td>KPK</td>
<td>Corruption Eradication Commission</td>
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<tr>
<td>LKPP</td>
<td>Agency for Procurement of Government Goods and Service</td>
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<td>LPHD</td>
<td>Village Forest Management Institution</td>
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<tr>
<td>LSPP</td>
<td>Study Circle of Rural Development</td>
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<tr>
<td>MFP</td>
<td>Multi-stakeholder Forestry Programme</td>
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<tr>
<td>MFP1</td>
<td>Multi-stakeholder Forestry Programme phase 1</td>
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<tr>
<td>MFP3</td>
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MFP4 : Multi-stakeholder Forestry Programme phase 4
MoEF : Ministry of Environment and Forestry
PPLH : Center for Environmental and Forestry Education
REDD+ : Reducing Emissions from Deforestation and Degradation
RPHJP : long-term forest management plans
SDGs : Sustainable Development Goals
SDoC : Supplier’s Declaration of Conformity
SFN : Social Forestry Navigation System
SIKPHP : Information System for Management of Production Forests
SI-KPHP : Information System on Production Forest Management Unit
SILK : Timber Legality Information System
SI-PHPL+ : Integrated Production Forests Data Base
SIPNB : Non-Tax State Revenue System
S-PHPLs : Sustainable forest management certificates
STN : National Farmers Association
SVLK : Sistem Verifikasi Legalitas Kayu
UNB : Nusa Bangsa University in Bogor
UNMUL : Mulawarman University in Samarinda
USU : University of North Sumatra
VPA : Voluntarily Partnership Agreement
YCHI : Green Horizon Foundation Indonesia
CIFOR : Center for International Forestry Research
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