

## *SVLK and VPA*

Thailand

July 2014

# SVLK & VPA relevant process

*Awareness on illegal logging and the associated trade problems, incl. trafficking (rampant and destructive –forest and its biodiversity, corruption-violence-and above the law, state lost revenue, unfair playing field, floods-landslide, timber mafia/mastermind/financiers; also consumers driven/responsible)*

- ← number of cases exposed/reported by civil society groups & number of enforcement operations
- collective concern from all stakeholders



# SVLK & VPA relevant process

## A. How was process organized: negotiation and technical level

- Stakeholders involvement started since the process of SVLK development, through appointed representatives (2-3 person each)
- Each stakeholder had their own forums (1-several gathering per year, and through mailing list/egroups).
- Public consultations (national and regional) were held in each stages of process, both in SVLK development, VPA negotiations, and SVLK comprehensive/annual evaluation.
- Negotiations conducted through technical/expert meetings with involvement of reps from stakeholders. These representativeness maintain up to TWG meetings and SOMs, and later in of JPC meetings.
- There were also CSO lobby trips and market dialogues within the negotiation process.

## B. Support to process: by Indonesia side and donors

- High level political support from GoI (parliament, executive administration consist of inter-ministrial forestry-trade-industry-finance-economic affair-foreign affair and national development planning agency)
- Each stakeholder of Indonesia (gov, private sector, CSOs incl. academic and IPOs) appointing their representatives and agreed on means of own communication/consultation process.
- Support for SVLK development (along with its implementation) and VPA negotiation coming from multistakeholder program of GoI (Ministry of Forestry and UKaid)
- Support for SVLK implementation also from other donors (such as ITTO, EU, USAID)

# National-International process



**FLEG  
DECLARATION  
(BALI)**

**2001**



**02**

- Bilateral MoUs (UK, US, Japan, China, Australia)



SVLK development, incl.

- public consultations & field tests.

- EU FLEGT Action Plan

**05**



**07**

- VPA negotiation started



- VPA negotiation processes (3SOMs, 7TWGs, 7JEMs, 7DVCs); incl. urging action on non-VPA to halt the trade of illegal timber

- FoI Act (14/08)

**08**



**09**

- SVLK reg (P38/09)

- EUTR

- Money laundering Act (8/10); IM networks

**10**



- VPA concluded; legal scrubbing started

- Public disclosure on forestry (P7/11), SVLK reg (P68/11)

**11**



- LIU established
- Shipment test
- Export reg (64/12); improvement of timber administration (P30/12); SVLK reg (P45/12)

**12**



- V-Legal Document application

- Joint assessment

- Forest crime Act (18/13); revision on indigenous forest (SE1/13); SVLK reg (P42/13)

**13**



- VPA signed; ratification started

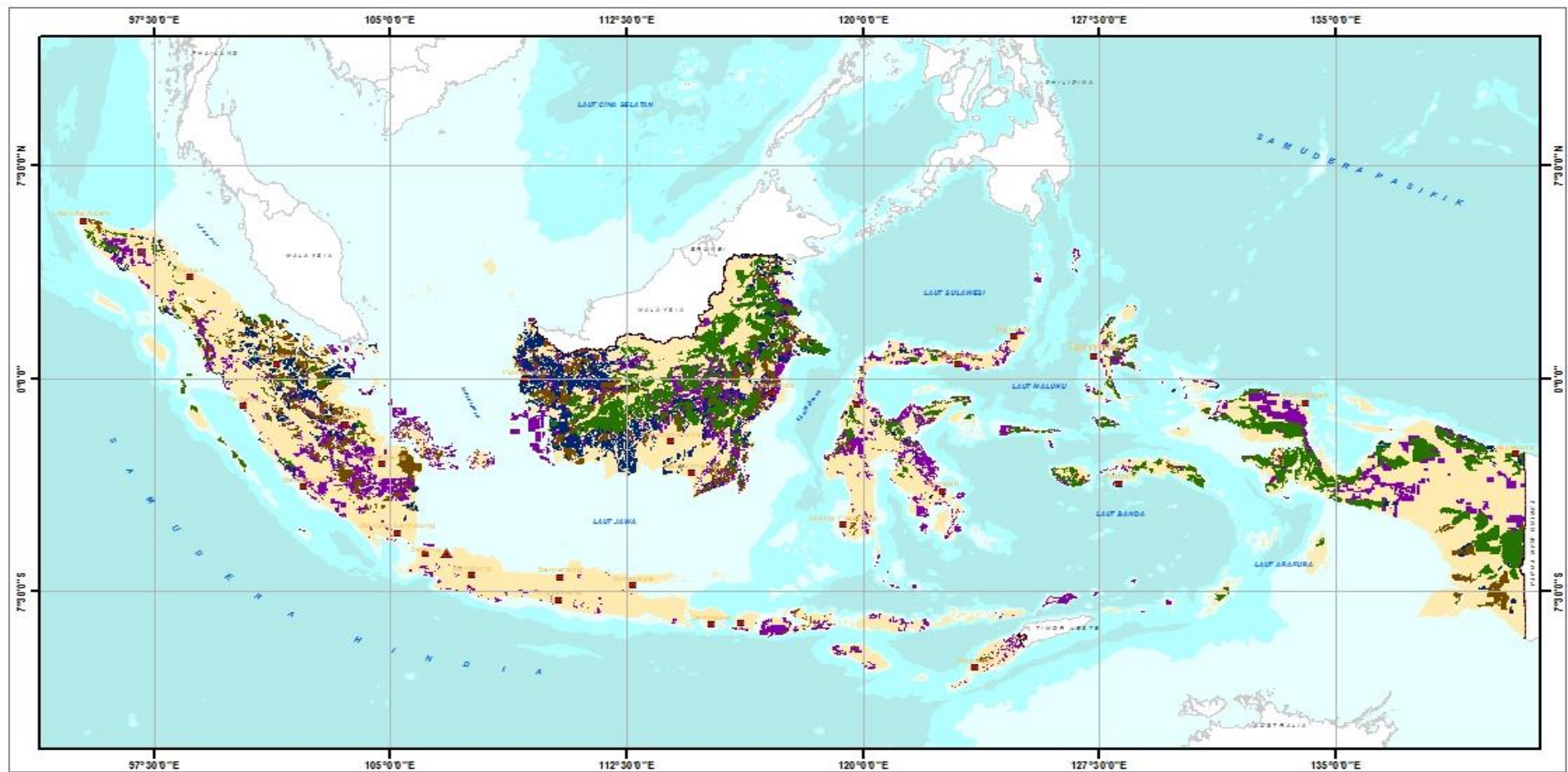
**14**





# Legality Definition

- Indonesian timber is deemed legal when its origin and production process as well as subsequent processing, transport and trade activities are verified as meeting all applicable Indonesian laws and regulation



**LANDUSE DISTRIBUTION OF  
TIMBER CONCESSION, TIMBER PLANTATION,  
OIL PALM CONCESSION AND MINING**



**Legend**

■ Province City

**Landuse Distribution**

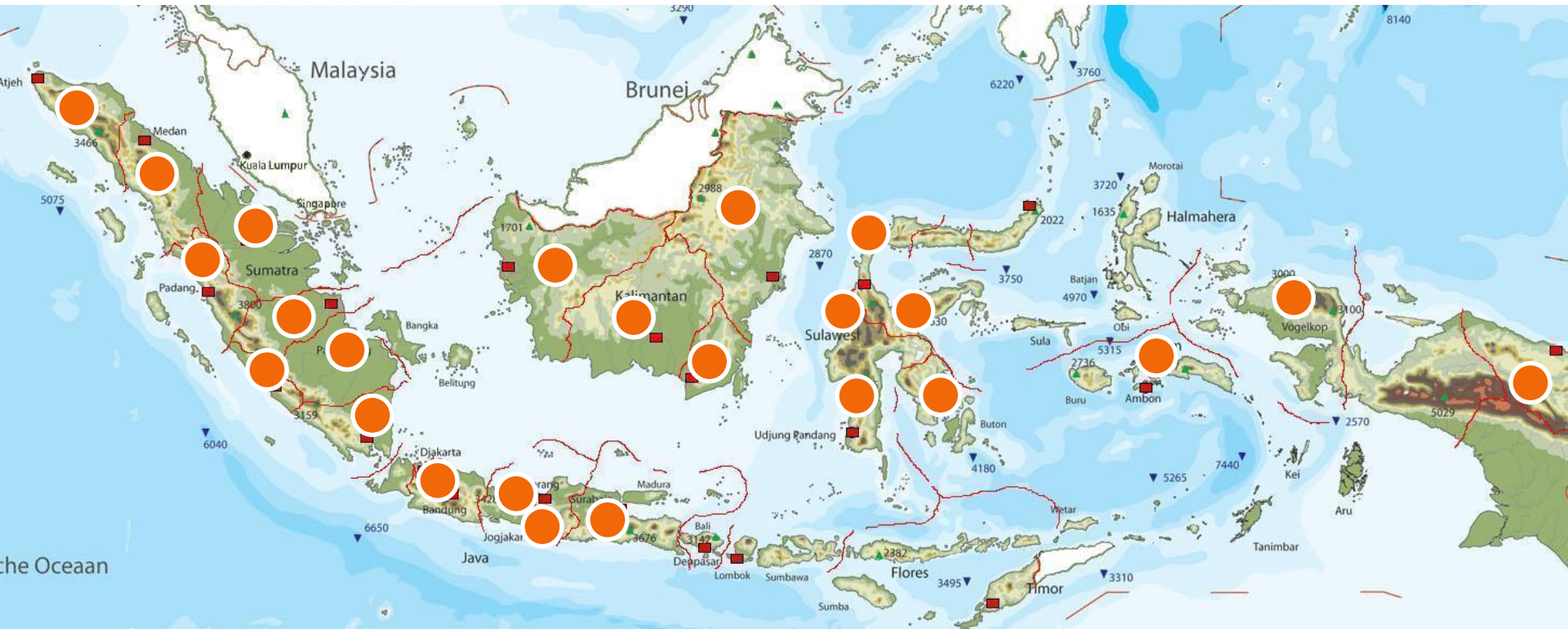
<span style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></span> Timber Concession	<span style="display: inline-block; width: 15px; height: 15px; background-color: blue; border: 1px solid black;"></span> Oil Palm Plantation
<span style="display: inline-block; width: 15px; height: 15px; background-color: brown; border: 1px solid black;"></span> Timber Plantation	<span style="display: inline-block; width: 15px; height: 15px; background-color: purple; border: 1px solid black;"></span> Mining

**Source:**

- Timber Concession, Forest Watch Indonesia Compilation, 2014.
- Timber Plantation, Forest Watch Indonesia Compilation, 2014
- Oil Palm Plantation, Ministry Of Forestry, 2010.
- Mining Concession, ESDM, 2013.



# Profile - JPIK



- ❖ Established on September 2010 oleh 29 NGOs dari 21 provinsi
- ❖ Team National Coordinator, 24 Focal Point Province, 5 Board of Trustee
- ❖ Jan 2014, members JPIK: 64 NGOs + 318 individual

# Illegal logging ...

- ❖ Before 2001 – rampant of illegal logging
- ❖ 2001 – Log Export Ban, Bali Declaration on FLEG
- ❖ After 2001-2005:
  - Operation Combat Illegal logging (2001-2004)
  - Operation Combat Illegal logging (2005-2010)
- ❖ 2006 – 2014:
  - New Smuggling Modus → Container
  - Permit plantation/mining → Only taken timber



# Illegal logging & Corruption

- ❖ Involved Military: Army, Navy, and Police
- ❖ Involved High Level Persons: Presiden, Ministry, Governoor, and Bupati + Richest Family
- ❖ Involved Various Office: Forestry, Trade, Customs,
- ❖ Involved Political Party
- ❖ Involved International Syndicate (China)
- ❖ The mafia: running for Bupati (district leader), become the parlement members, untouchables
- ❖ High profit

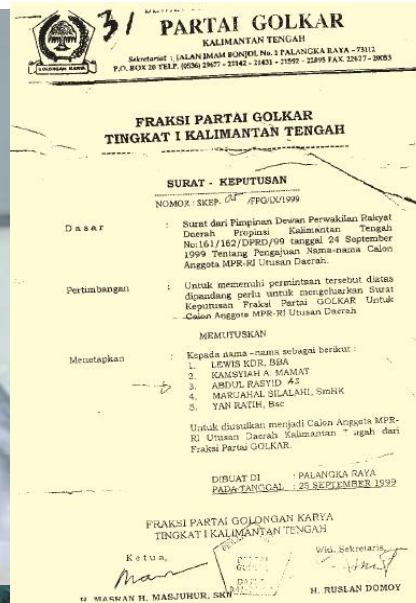
# Illegal logging & Corruption



- ❖ Process Permit, Harvest, & Trade
- ❖ Didn't pay the Forest Revenue Tax
- ❖ Profit, examples Merbau Timber (*Intsia bijuga*)
  - Price on community cheapt: 150 USD/m<sup>3</sup>
  - Price on Market expensive: 1300 - 2200 USD/m<sup>3</sup>



# Pic before 2001





# Pic before 2001





# Pic 2001-2005

**August 2001**



**April 2003**



**May 2002**

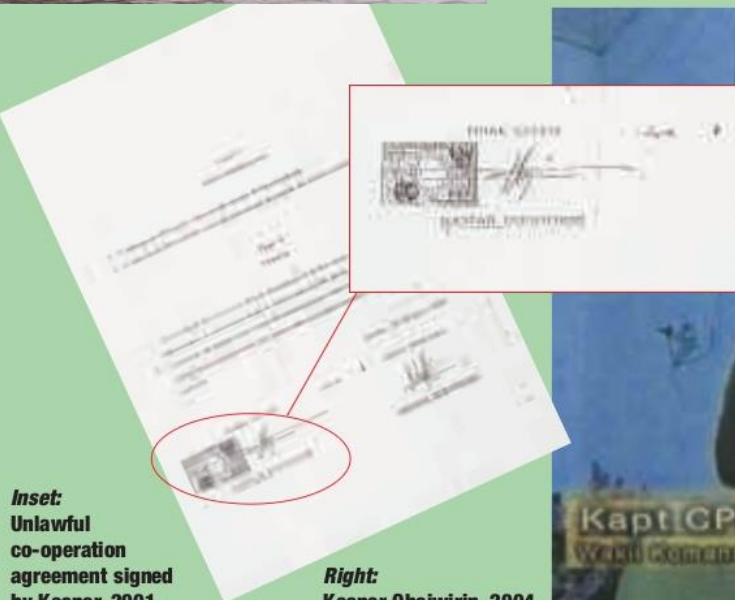
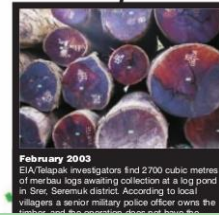


**October 2003**





# Pic 2001-2005





# Pic 2006-2014





# Pic 2006-2014







森茂木业  
主营  
梓木  
梓木  
菠萝格  
手机:13501988819





# Pic 2006-2014





# Labora Sitorus



- ❖ Low-ranking Police Officer
- ❖ Low-profile person
- ❖ The total money in saving account: US\$ 127 million
- ❖ The commissioner of PT Rotua (Timber Processing Company)
- ❖ The Capacity of PT Rotua 2,000 m<sup>3</sup> (base on permit)
- ❖ Hold timber business, fuel business, and alcohol business

# Pic Labora Sitorus





# Pic Labora Sitorus





# Pic Labora Sitorus

**PT. ROTUA**  
Jln. Kapien Pattimura Tempat Garam Kota Sorong  
(Mendapat Surat Jalan / Nota Perusahaan)

PT. ROTUA

Nomor Seri: PT RT 3304 A 700246

Masa Berlaku Dari Tanggal: 30-12-2013

Provinsi: Papua Barat  
Kabupaten / Kota: Kota Sorong

No	Kelompok Jenis	Ukuran	Jumlah Batang	Voluma (M <sup>3</sup> )	Asa Kayu	Keterangan
1	Merbau	10 x 11 x 65	429	0,4661	PT. ROTUA	B-0063
2		10 x 11 x 65	429	0,4661		B-0064
3		15 x 11 x 50	429	0,7629		B-0065
4		15 x 11 x 50	429	0,7629		B-0066
5		15 x 11 x 50	429	0,7629		B-0067
6		15 x 8 x 80	510	0,15280		B-0068
7		15 x 8 x 65	510	0,14890		B-0069
8		15 x 11 x 50	429	0,7629		B-0070
Jumlah			3.681	5,3886		
Melalui		MDarat	<input type="checkbox"/> Sungai	<input type="checkbox"/> Laut	Keterangan	
Menggunakan		TRUCK				
Identitas		DS 9351 HC				
Alamat Muat		TEMPAT GARAM				
Alamat Lokasi Bongkar		PELABUHAN				
Penandatangan		Sorong Pengirim				
JONNAR BAHARNAHOU						





# Pic Labora Sitorus



# Regulation ...

- ❖ 1998, Reformation
- ❖ 1999 re 2002, Corruption Law
- ❖ 2001, Log Export Ban
- ❖ 2002 re 2003 re 2010, Money Laundering Law
- ❖ 2002, FIU - PPATK
- ❖ 2003, Corruption Eradication Commissions (KPK)
- ❖ 2004, Lumber Export Ban
- ❖ 2008, Freedom Information Law
- ❖ 2009, Timber Legality Verification System - SVLK
- ❖ 2013, Judge with Environment Certificate
- ❖ 2013, Forest Crime Act



# Lessons Learn ...

- ➔ Set-up security protocol before conducting the activities, to prevent:
  - Intimidation:
    - # Staff Office
    - # Family
  - Terror
  - Followed/Stalked
  - Tapping of phone number
  - Crack your email → Encrypt
  - Lost your data → Back Up

# Lessons Learn ...

- Coordination with PPATK/INTRAC/FIU is useful to follow up the recent illegal activities
- Coordination with Media is important to get attention from the public and rise profile of the case
- Coordination with Networks is important because the target is part of “big fish”
- Judicial systems in Indonesia (Police, Prosecutor, Judges) is fail, need total reforms
- Monitoring from all stakeholders



# General challenges

- Maintain stakeholders buy-in and to comply to the system (esp. private sector)
- Maintain all stakeholder engagement in all relevant process (esp. CSOs).
- Application for all enterprises, including SMEs (incl technical support/capacity building).
- Paradigm shift and support for IM (as one of the essential SVLK element) on access of information and safety/security; as well as sustainability of IM (financial and capacity building).
- Regulate import raw-material to be in line with SVLK assurance (on going)

- SVLK is a tool, not a silver bullet to address all forestry problem. It is not perfect but it's agreed by all stakeholders involved, so it's a start. It can be used to bring up outstanding issues in forestry sector and address them accordingly
- Multi-stakeholder dialogue initiated by SVLK process is continuing, resulting in better interaction among stakeholders towards system improvement → could be used as a model for other initiative
- Transparency and involvement of civil society is key in the process of developing and implementing SVLK to ensure the policy achieve it's intended objectives



# Terimakasih

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