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
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)

- FLEG DECLARATION
- EU FLEGT Action Plan

2001

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

2002

- Bilateral MoUs (UK, US, Japan, China, Australia)
- SVLK development, incl. public consultations & field tests.

2005

- EU FLEGT

2007

- VPA negotiation processes

2008

- VPA negotiation processes

2009

- EUTR

2010

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

2011

- SVLK reg (P38/09)

2012

- SVLK reg (P42/13)
- Export reg (64/12); improvement of timber administration (P30/12)
- SVLK reg (P45/12)

2013

- SVLK reg (P68/11)
- Forest crime Act (18/13); revision on indigenous forest (SE1/13)
- VPA signed; ratification started

2014

- V-Legal Document application
- Joint assessment
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
  - Timber Concession
  - Oil Palm Plantation
  - Timber Plantation
  - Mining

Source:
- Timber Concession, Forest Watch Indonesia Compilation, 2014.
- Mining Concession, ESDM, 2013.
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 (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, Governor, 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 parliament 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 cheap: 150 USD/m3
  - Price on Market expensive: 1300 - 2200 USD/m3
Pic before 2001
Pic 2006-2014
Low-ranking Police Officer
Low-profile person
The total money in saving account: US$ 127 million
The commisioner of PT Rotua (Timber Processing Company)
The Capacity of PT Rotua 2,000 m3 (base on permit)
Hold timber business, fuel business, and alcohol business
Pic Labora Sitorus
Pic Labora Sitorus
Pic Labora Sitorus
Pic Labora Sitorus
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
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
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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