INDONESIA EXPERIENCE ON IMPLEMENTATION OF TLA

Chiang Mai, 3 July 2018
Timber Legality Verification System in Indonesia
Toward Sustainable Forest Resources

SVLK Development

Good Governance

SFM

Law Enforcement
SFM Certification (S-PHPL)
- Forest/FME
- Mandatory
- Assessment by independent accredited Certification Body (LPPHPL)

Timber Legality Certification (S-LK)
- Forest/FME
- Industry; Trader
- Mandatory
- Verification by independent accredited Certification Body (LVLK)
SVLK Development & FLEGT-VPA Progress

- **2001**: Bali FLEG Declaration
- **2007**: RI-EU FLEGT-VPA initiated
- **2009**: Forestry Regulation on SVLK
- **2003-2009**: SVLK Development
- **2011**: Negotiation Concluded
- **2012**: Trade Regulation on SVLK
- **2013**: SILK online
- **2012**: Trade Regulation on SVLK
- **2013**: Signing RI-EU FLEGT-VPA EUTR Take into Force
- **2014**: FLEGT-VPA Ratification Import Regulation
- **2014**: EU Ratification
- **2015**: Joint Declaration on SVLK Acceleration 23 March 2015
- **15 Nov 2016**: FLEGT Licensing

15 Nov 2016 FLEGT Licensing
SVLK Scope

Legality & Sustainability

State forests

Private forests

Legality

Imported timber

Primary Industry

Secondary Industry

Legal

Legal

Finished Products

Market

V-Legal Document (FLEGT License) via SILK ONLINE
Scope of SVLK

SVLK is a system that ensures that all timber harvested, transported, manufactured and traded from Indonesia, comes from legal sources, and in full compliance with the Indonesia laws. The system covers all spectrum of timber production including Forest Management Units, Timber Industries and Timber Depots.
TIMBER TRACKING

Sustainability and/or legally logged forest

Log yard → Sawmill → Processing → Export → Import → Point of sale

Illegally logged forest

Log yard → Sawmill → Processing → Export → Import → Point of sale

Sumber: Lowe, A (2016), Implementing a DNA Timber Tracking System in Indonesia
Flow of V-Legal Document/FLEGT licence

1. Request
2. Silk/Liu (MoEF)
3. Competent Authority (Validate & Process)
4. LV-LK (Licensing Authority)
5. Exporter (Certificate Holder)
6. Online
7. Importer

Country Destination (Market)

Customs

Issuance of V-Legal Document/FLEGT licence
Regulatory Timber Import in Indonesia
**Pre-Import Declaration** by importer demonstrating due diligence:
- Information on importer; this includes identification number from the Ministry of Trade (API) and identification number from IDN Customs (NIK);
- Information of port(s) of discharge (POD);
- Description of import plan;
- References to Pre-Import Due Diligence (DD) or ‘Uji Tuntas’ by importer:
  - Description of import plan with detail of HS code(s) of product(s), species, and country(ies) of processing and country(ies) of harvest;
- Information on port(s) of loading (POL);
- Identification of potential risks;

**Post import control:**
1. **Post import checks carried out CABs**
   - Post import checks on importers carried out as part of SVLK surveillance
   - Importers must provide all data on DD they had performed to CABs
   - CABs cross check DD documents with relevant data in SILK portal
   - SVLK surveillance takes place every 2-3 years depending on the size of the industry
   - Lack of appropriate guidelines for CABs to verify DD procedures
   - Limited access to DD information for Independent Monitors (IMs)

2. **Monitoring by MoEF** usually prompted by suspicions of violations; can include MoEF and independent monitors

3. **Post audit by MoT** conducted as needed to ensure that no banned materials enter Indonesia; can be in the form of a collaborative team

**MoT INATRADE online system**

**MoEF SILK online system**

**Customs INSW online system**

**IDN Import Controls After MoT New Regulation No 91/2017 (NEW)**

**Import permit approval by the Ministry of Trade (MoT)**

**Post import monitoring:**
1. Independent monitoring by CSOs (ref. Permen LHK 30/2016 and Perdirjen 14/2016 jo 15/2016); to ensure transparency. Requires access for CSOs to DD data in SILK.
Challenges in SMEs

- Lack of finance and limited access to financial institution
- Limited data management
- Need supported from the government and other stakeholders
- Limited labour skill (managerial, administrative)
- Limited access to market and information
- Limited capacity and technology
Government Support on SMEs

**Policy**
- Simplified regulation
- Group certification
- Public procurement
- SVLK Acceleration by Local Government

**Facilitation**
- Technical assistance
- Certification and surveillance

**Promotion**
- National and international exhibition
- Exchange program

**Cooperation**
- CSR
- Stakeholders support
- Bridging suppliers (SMEs) and consumers
MoU SVLK Acceleration by MoEF and Provincial Government
District Government Regulation to Accelerate SVLK Implementation

**Jepara**
- Simplified permit
- SVLK dissemination and training
- SVLK Clinic

**Klaten**
- Permit incentives
- Task Force of SVLK Acceleration
- Technical assistance and certification facilitation

**Jombang**
- Permit acceleration
- SVLK training
- Technical assistance and certification facilitation
Stakeholders Facilitation to SMEs in SVLK Certification

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 (up to June 2017)</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>MoEF</td>
<td>440 units</td>
<td>730 units</td>
<td>265 units</td>
<td>630 units</td>
<td>24 groups</td>
<td>150 groups</td>
</tr>
<tr>
<td>MoIndustry</td>
<td>-</td>
<td>-</td>
<td>125 units</td>
<td>45 units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associations</td>
<td></td>
<td>55 units</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NGOs</td>
<td>20 units</td>
<td>40 units</td>
<td>42 units</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBs (CSR)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>60 units</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SMEs were assisted by government and/or NGO/CSO to comply C&I in SVLK certification scheme through technical assistance.

1 group consists of minimum 5 members; 1 group consists of minimum 10 - 1000 members.