Research Report for Project on “Enhancing Community-Based Commercial Forestry in Indonesia (ACIAR FST/2015/040)”

Analysis of Smallholder Timber Certification in Indonesia: Experiences from Lampung Province, Sumatra contrasted with those from Pati District, Central Java and Bulukumba District-South Sulawesi

2019
PROJECT REPORT

Analysis of Smallholder Timber Certification in Indonesia: Experiences from Lampung Province, Sumatra contrasted with those from Pati District, Central Java and Bulukumba District-South Sulawesi

Report for ACIAR Project – ‘Enhancing community-based commercial forestry in Indonesia’ (FST/2015/040)

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Abbreviations

ACIAR  Australian Center for International Agricultural Research
APBD  *Anggaran Pendapatan dan Belanja Daerah* (Regional Government Budget)
APBN  *Anggaran Pendapatan dan Belanja Nasional* (National Government Budget)
APKINDO  *Asosiasi Panel Kayu Indonesia*
BLI  *Badan Litbang dan Inovasi*
BP4K  *Badan Pelaksana Penyuluhan Pertanian, Perikanan dan Kehutanan*
BPDAS  *Badan Pengelolaan Daerah Aliran Sungai* (Watershed Management Unit, Ministry of Forestry)
BRIK  *Badan Revitalisasi Industri Kehutanan*
BUMN  *Badan Usaha Milik Negara*
CBCF  Community Based Commercial Forestry
COMLOG  Community Logging
DFID  Department of International Development
DKP  *Deklarasi Kesesuaian Pemasok*
FGD  Focus group discussion
FSC  Forestry Stewardship Council
GMWT  *Giri Mukti Wana Tirta*
IPKINDO  *Ikatan Penyuluh Kehutanan Indonesia*
IUPHHK  *Izin Usaha Pemanfaatan Hasil Hutan Kayu*
JICA  Japan International Cooperation Agency
KPH  *Kesatuan Pengelolaan Hutan*
KTH  *Kelompok Tani Hutan*
LEI  *Lembaga Ekolabel Indonesia*
LP&VI  *Lembaga Penilai dan Verifikasi Independen*
MFP-2  Multistakeholder Forestry Program Phase 2
MOEF  Ministry of Environment and Forestry
MOF  Ministry of Forestry
NGOs  Non Governmental Organization
P3SEKPI  *Pusat Penelitian dan Pengembangan Sosial Ekonomi Kebijakan dan Perubahan Iklim*
PCU  Peterson Control Union
PermenLHK  *Peraturan Menteri Lingkungan Hidup dan Kehutanan*
PHPL  *Pengelolaan Hutan Produksi Lestari*
SPKP-KT  *Sentra Penyuluhan Kehutanan Pedesaan-Kelompok Tani*
SVLK  *Sistem Verifikasi Legalitas Kayu*
TNC  The Nature Conservancy
TNWK  *Taman Nasional Way Kambas*
UKIR  *Unit Kreatif Industri Rakyat*
WWF  The Worldwide Fund for Nature
YKWS  *Yayasan Konservasi Way Seputih*
EXECUTIVE SUMMARY

Forest and timber certification was designed to promote good forest governance by ensuring that forest resources are managed sustainably and legally. Forest certification (Smartwood certification system) was first applied in Indonesia around 1990 in Java to forests managed by Perhutani - a State-Owned Enterprise. Since then various certification systems have evolved including the voluntary global system operated by the Forestry Stewardship Council (FSC) starting in 1993, and the Indonesian Timber Legality Assurance System (TLAS), also known as Sistem Verifikasi Legalitas Kayu (SVLK) developed by the Ministry of Forestry (MOF) and first introduced in 2009. Under this system, companies and farmer organisations are issued S-LK certificates.

SVLK is mandatory for all Indonesian timber products being exported and is applied throughout the timber marketing chain. However, independent reviews have identified challenges in implementing SVLK in small-scale forest industries in Java and Kalimantan in Indonesia. Issues included low levels of understanding of the SVLK system, and lack of compliance with the requirements SVLK criteria. The Indonesian government has introduced a number of regulatory changes and provided financial assistance to small-scale industries to reduce the barriers to the adoption of the SVLK system.

There has been a lack of analysis of the implementation of SVLK in small-scale forestry industries outside Java and Kalimantan. To redress that situation, a study was undertaken to assess the progress of implementation of SVLK certification by smallholder timber businesses in Lampung Province, Sumatra. That study is the subject of this report. The results of the study were compared with recent data on the implementation of SVLK from the Bulukumba District in South Sulawesi and the Pati District in Central Java. The aim of the study was to identify the key factors affecting the sustainability of the SVLK certification applied by smallholder timber businesses.

The principal units of analysis for the study were case studies of smallholder timber plantations and small-scale timber industries in Lampung Province – a region recognised for its progressive achievement in applying timber certification.

The primary data for the study was collected through a Focus Group Discussion (FGD) held in Bandar Lampung, followed by field observations and in-depth interviews with five timber processing companies and two community cooperatives or farmer groups located in Bandar Lampung and the districts of North Lampung, East Lampung and South Lampung. The study focussed on the process of SVLK certification, its benefits to timber businesses, sustainability of the certification, and general perceptions of the actors about the system. Participants in the FGD were farmer group representatives, small-scale timber industry owners, NGOs involved with timber certification, academics and representatives from the Provincial Forestry Office.
After the FGD, 16 key informants were interviewed using a prepared questionnaire. The data was collected during August to September 2017.

In the Bulukumba and Pati districts in Central Java, the information was collected through interviews with key informants from the District Forestry Office, local NGOs and farmer groups. The discussion held at the FGD was recorded and later transcribed. The interviews were also recorded and the transcripts were used in developing case descriptions. The collected data was analyzed qualitatively and quantitatively to provide information related to the aims of this study.

The SVLK or Timber Legality Assurance System (TLAS) was introduced to smallholder timber plantations and small-scale industries in Lampung to ensure the legality of the timber supply to the industries, so they may have wider access to export markets. Understanding and adoption of the SVLK process by smallholders and small-scale industries was supported by the Provincial Government through the Provincial Forestry Office (Dinas Kehutanan) and donors, such as the DFID-MFP and JICA programs. In 2014, there were 16 community groups and one timber industry that had obtained the S-LK certificate through financial support from both central (MOEF) and provincial (Dinas Kehutanan) governments. Most of these certificates, however had been suspended at the time of this study.

The first national launch of the SVLK for smallholder timber growers was conducted in Lampung in November 2011, with five smallholder timber growers from Lampung, Yogyakarta, Konawe, Wonosobo and Blora receiving the S-LK certificate. The recipient from Lampung was the Community Log Giri Mukti Wana Tirta (Comlog GMWT) in Central Lampung District. The current data from the Sistem Informasi Legalitas Kayu (SILK) (MOEF 2018) indicates 17 timber industries in Lampung hold S-LK certificates, but most of the S-LK certificates of 16 community groups or community timber growers held in 2014 had been suspended.

In the District of Bulukumba, South Sulawesi Province, the SVLK was introduced to smallholders with private forests in 2011 by the Sulawesi Community Foundation (SCF) and with the support from DFID-MFP in collaboration with the District Forestry Office. The SCF and the District Forestry Office established an association of smallholder timber producers or Asosiasi Pengelola Kayu Rakyat (APKAR). By 2013, there were 14 members of this association who had got the S-LK certificate, but similar to the case in Lampung, the certificates were suspended in 2015 due to discontinuation of the surveillance assessments. In Pati District, there was less support for the SVLK process and there were no smallholders who had applied for SVLK, other than few timber industries who got the certificate with their own funding.

In Lampung and Bulukumba districts, the SVLK certification of smallholders and small-scale industries was mostly initiated by governments (MOEF and Provincial Forestry Office) in collaboration with local NGOs and supported by donors. The DFID-MFP was the main donor who supported the certification process in Lampung and Bulukumba. Governments and Donors provided technical assistance (with the help of NGOs) and the initial costs of certification costs
(preparation cost and certification auditing). In Pati, where there was no donor support, the certification was only practiced by private companies involved in supplying products to export markets.

The benefits of certification reported by business actors mostly were related to social aspects, followed by environmental and business management aspects. Small benefits were perceived on economic aspects. The social benefits were perceived to be improving group collaboration on timber business and knowledge as the result of improved business networks. On environmental and business management aspects, the benefits were perceived on improved public understanding on timber certification that may encourage them to plant more timber. Certification was seen to provide good business opportunity in the future and will trigger more demand on timber. Business actors also perceived that through certification the quality of products were increased. Nevertheless, there has been no visible evidence that certification has improved the silviculture on smallholder timber plantations. Only a small number of business actors reported direct economic benefits, which were mainly increased market access, and so increased production.

The sustainability of certification lies on its economic benefits, especially market access and profits that derive from marketing of the certified products. The cost of certification was considered as a component of the cost of production that is worthwhile if it can be compensated by the profits. Increasing the number of local certification auditors would reduce the costs of certification, and hence assist to make certification economically viable over the long-term. One way governments could help create demand for timber certification by prioritizing the use of certified timber products on government projects.

To improve the SVLK, the authors recommend governments should:

- Increase the number of certification auditors at provincial level, in particular in the main localities of timber based industries;
- Develop more a more efficient certification process by applying certification on a larger area, such as on a district level;
- Prioritize the use of certified timber on government infrastructure projects;
- Promote the SVLK system at the main export market destinations.
INTRODUCTION

Forest and timber certification was designed to promote good forest governance by ensuring that forest resources are managed sustainably and legally (Obidzinski, et al., 2014; Colchester, 2004). The concept of forest certification in Indonesia was firstly introduced around 1990 (Colchester, 2004) in Java on forest areas managed by Perum Perhutani - a State-Owned Enterprise (Badan Usaha Milik Negara/BUMN). Perum Perhutani adopted the SmartWood certification system issued by the rainforest Alliance. Following the establishment of the Forest Stewardship Council (FSC) scheme – an international voluntary scheme – in 1993 and the development of Principle 10 relating to plantations in 1996, the Rainforest Alliance reassessed Perum Perhutani’s operations and issued FSC certificates to five forest blocks in 1998 and 2000 (Colchester, 2004). The first FSC certificate in forest management in natural forests in Indonesia was obtained in 2001 (Ruslandi, et al., 2014).

Following the FSC certification scheme, governments and various Non-Government Organizations (NGO) in Indonesia have sought to develop forest and timber certification schemes that are tailored to the conditions in Indonesia. Two certification schemes were developed: the forest management certification scheme according to the Indonesian Ecolabelling Institute (Lembaga Ekolabel Indonesia/LEI), and the Timber Legality Assurance System (TLAS) – also known as Sistem Verifikasi Legalitas Kayu (SVLK) – developed by the MOF. The LEI scheme has not been widely adopted, although some community groups have applied the scheme, such as Koperasi Wana Manunggal Lestari (KWML) in Gunungkidul District, Yogyakarta (Stewart, et al., 2015).

The TLAS or SVLK was designed to ensure sustainability of forest management and/or timber legality and timber tracking. The assurance mechanism is conducted through the issuance of certificates of Sustainable Production Forest Management or Sertifikat Pengelolaan Hutan Produksi Lestari (S-PHPL), or timber legality or Sertifikat Legalitas Kayu (S-LK). The SVLK is mandatory to all Indonesian export timber products and applies to all of the timber marketing chains including timber growers, processors, traders and industries. It applies to all right holders of timber utilization including forest concessions, social forestry, smallholder private forests, timber industries, craftsmen and log/timber traders.

The SVLK scheme is an integral part of the Forest Law Enforcement and Governance and Trade Voluntary Partnership Agreement (FLEGT-VPA) that was initiated by the European Union (EU). The EU legislation on timber (EU Regulation No. 995/2010) required that all timber entering the EU countries should be come from sustainably managed forest. The hybrid nature of the Indonesian approach, and the potential for complementary action between mandatory and voluntary systems, is illustrated by the FLEGT, a voluntary partnership agreement between Indonesia and the EU. This agreement commits both parties to trade only in verified legal wood-based products (Obidzinski, et al., 2014). Under this agreement, forest concession holders seeking to export timber to the European Union must be approved under the mandatory SVLK scheme (Cashore and Stone, 2012). Indonesia’s approach evinces the Indonesian government’s position that the State should be actively involved in fulfilling the public aim of sustainability in forest governance and that a market-based approach would be insufficient without State input (Obidzinski, et al., 2014).
The system was firstly introduced in Indonesia in 2009 through the issuance of Ministry of Forestry Regulation or Peraturan Menteri Kehutanan (Permenhut) No. P.38/Menhut-II/2009 (MOF, 2009). Since the first issuance, regulation related to SVLK has been revised namely through the Permenhut No. P.68/Menhut-II/2011 (MOF, 2011), Permenhut No. P.45/Menhut-II/2012 (MOF, 2012), Permenhut No. P.42/Menhut-II/2013 (MOF, 2013), Permenhut No. 43/Menhut-II/2014 (MOF, 2014), Permenhut No. P.95/Menhut-II/2014 (MOEF, 2014) and lastly by Permenhut No. 30/Menhut/PHPL.3/3/2016 (MOEF, 2016a). The updated derivate rules of SVLK refer to the Regulation of Director General of Sustainable Production Forest Management No. P.14/PHPL/SET/4/2016 (MOEF, 2016c), which are the current legal basis for implementing the system. Apart from these regulations, the MOEF issued Permenhut No. P.85/MENLHK/SETJEN/KUM.1/11/2016 (MOEF, 2016b) that specifically regulates timber transportation from smallholder private plantations.

Obidzinski, et al. (2014) reviewed the implementation of SVLK in small-scale forestry industries in Indonesia. The assessment identified some challenges in implementing SVLK, i.e. the level of understanding and capacity of business actors on SVLK, financial aspects and compliance with the requirements of SVLK criteria. Several recommendations were proposed to support SVLK implementation by small-scale forestry industry. These recommendations among others were to create healthy businesses especially relating to their financial aspects, to decrease certification costs such as through group certification, to increase understanding of SVLK by business actors, to increase the capacity of certification auditors, and to improve the capability of small-scale forest business actors in meeting the legal requirements of SVLK.

Since 2014 there have been some improvements on the implementation of SVLK. There was a decrease in certification cost as regulated by the MOF between 2013 and 2014. There costs decreased around 31-50% depending on the type of business unit applying for certification. For instance, the standard cost for the small-scale timber industry was around IDR 26 Million in 2013 but had decreased to only IDR 7 Million in 2014 (MOF, 2013; MOEF, 2014).

To reduce barriers related to SVLK for small and medium industries, the MOEF also issued the MOEF Regulation Permenhut No. P.95/Menhut-II/2014 (MOEF, 2014), which was intended to provide opportunities to obtain government guidance and facilitation to obtain technical skills, group certification, and finance for certification. To encourage small-scale timber industries, the duration of their S-LK certificates were extended from three years to six years with the surveillance period extended from every year to every two years.

The Government also provided financial assistance for industries who participated in the SVLK process by allocating funding amounting IDR 33 billion1 as stated by MOF advisor to the press (Noverius, 2015). The Ministry of Industry allocated a budget for small-scale industries amounting to IDR 5 billion (Ministry of Industry, 2015). In addition, funding for SVLK was also provided by the Ministry of Trading, Ministry of Cooperative and Small scale Business, local government, and NGOs as well as donors agencies (MFP, Kemitraan, TNC, WWF) (Sudharto, 2013).

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1 https://industri.kontan.co.id/news/percepat-svlk-pemerintah-alokasikan-dana-Rp-33-m
In the latest revised SVLK regulations, i.e. the *Permenhut No. 43/Menhut-II/2014* (MOF, 2014) and *Permenhut No. 30/MenLHK/Setjen/PHPL.3/3/2016* (MOEF, 2016a), affirmative action was provided for smallholder timber producers and home industries or craftsmen (Maryudi, et al., 2014; Herawati, et al., 2018). They are allowed to use a self-declaration mechanism, referred to as the Supplier Conformity Declaration (*Deklarasi Kesesuaian Pemasok* (DKP)). With this, the business actors simply give a statement that the wood and wood products produced come from legal sources and are processed legally, without going through a verification process by an auditor. The regulation removed the obligation of timber business actors to use a raw material legality document or timber origin document (SKAU) if they used a DKP.

The SVLK system has mostly been studied in Java (Maryudi, 2012; Maryudi, et al., 2014; Obidzinki, et al., 2014; Nurrochmat, et al., 2016; Maryudi, et al., 2017), together with some studies in Kalimantan related to sustainable production forest management certification or *Sertifikasi Pengelolaan Hutan Produksi Lestari* (PHPL) (Hidayat, et al., 2016). There has been a lack of study on SVLK implementation outside Java focussed on smallholder timber plantations.

Despite some improvements in SVLK implementation nationally, a recent study conducted in three provinces, namely DKI Jakarta, West Java and D.I. Yogyakarta, revealed that the effectiveness of SVLK implementation was low. The private sector perceived that SVLK policy should be applied in the upstream part of the timber supply chain, hence the downstream industry and market have not fully supported the system. The SVLK regulations have also changed rapidly and created disincentives for investments in timber businesses. In addition, small industries and smallholder private forests were considered to have been ineffective in the implementation of the SVLK policy (Suryandari, et al., 2017).

This study aims to understand the progress of certification implementation, especially the SVLK certification scheme as well as the impact of the certification on smallholder timber businesses. Since there has been a lack of study outside Java and Kalimantan of the implementation of SVLK in small-scale forestry industries, the study investigated the experiences with certification of several smallholder timber plantations and small-scale industries in Lampung Province, Sumatra. The study was designed to discover factors affecting the sustainability of the SVLK certification applied by smallholder timber businesses. The results of the study were contrasted with recent data on the implementation of SVLK from the Bulukumba District in South Sulawesi and the Pati District in Central Java. The study is expected to provide better understanding of the challenges and opportunities of SVLK certification for smallholder timber industries and the prospects for wider application in the Indonesian timber industry.

This research was part of activities under the ACIAR funded project ‘Enhancing community-based commercial forestry in Indonesia (FST/2015/040)’ that is being conducted until 2020 in five districts in Indonesia, namely Gunungkidul, Pati, Bulukumba, Lampung and Gorontalo. The site map of the project is presented at Figure 1.
FIGURE 1. MAP OF PROJECT LOCATIONS

METHODOLOGY

Field study

The main part of the research was conducted as seven case studies of smallholder timber plantations and small-scale timber industries in the Lampung Province. This province was selected for the research because it was a province outside of Java where there was evidence of progressive achievement in applying timber certification for smallholder plantations and small-scale industries.

The field work was conducted in August and September 2017 at Bandar Lampung and the districts of North Lampung, East Lampung and South Lampung. The study started with a Focus Group Discussion (FGD) held in Bandar Lampung, and was followed by in-depth interviews with seven cases comprising four timber processing companies, a group of smallholder timber producers, and two community cooperatives or farmer groups (Table 1). The case study locations are shown at Figure 2.
The case study in Lampung Province was aimed at providing in-depth understanding of the implementation of SVLK for smallholder timber plantations and small-scale timber industries. The study focussed on the process of SVLK certification, its benefits in timber businesses, sustainability of the certification and general perception of the actors about the system.

The additional studies in Bulukumba and Pati Districts (Figure 1) were conducted to provide a contrast with the experiences in Lampung Province. The studies in the Bulukumba and Pati Districts districts were initiated during the first phase of the ACIAR CBCF project (Stewart et al, 2015). In this report, the update of SVLK implementation was observed through rapid assessment by interviewing some key informants in those two locations.
Data collection

Focus group discussion

The focus group discussion (FGD) was conducted at the Lampung Provincial Forestry Office and attended by 40 participants (Figures 3 and 4). The participants consisted of staff and officials of the Lampung Provincial Forestry Office (10 persons), representatives from the Forest Management Unit or Kesatuan Pengelolaan Hutan/KPH (4 persons), Lampung Provincial Industrial Office (1 person), Lampung Provincial Trade Office (1 person), Lampung Provincial Cooperative Agency (1 person), timber companies (3 persons/owners), community cooperatives/farmer groups (11 persons), University of Lampung (UNILA) (1 person/lecturer), NGO (2 persons), and the project team members (4 researchers + 2 FORDA management representatives).

The FGD was opened by the Head of Lampung Provincial Forestry Office (Ir Syaiful Bachri, MM) and facilitated by the project team leader (Dr. Dede Rohadi). The discussion took place on August 8, 2017 from 9:00 am until 13.00 pm. The proceedings of the FGD were recorded. The records were then transcribed and used in the report discussion. The records were also used in developing profiles of companies that held timber certification. The facilitator invited main stakeholders (i.e. the SVLK holders) to explain their company/group profile and their experience in obtaining SVLK, including the benefits and constraints during and after obtaining the timber certificate. The results of FGD were discussed further during the in-depth interviews.
Field observation and in-depth interviews

Field visits were conducted to seven locations as presented in Table 1. Interviews were conducted with resource persons in each of the companies/cooperatives/groups visited. The project team with a prepared questionnaire conducted the interview. The questionnaires used in the interview process are presented in Annex 1. The interviews were recorded and used in developing case descriptions. In total 16 key informants were interviewed in the Lampung Province.

In Bulukumba and Pati districts, the information was collected through interviews with several key informants from the District Forestry Office, local NGOs and farmer group/associations.

Data analysis

The collected data was analyzed qualitatively and quantitatively to provide information related to the aims of this study. In the qualitative analysis, the information was used to describe each case under three main aspects. The first aspect was general information on the profile of companies, cooperatives or community groups; and the history of companies, cooperatives or community groups in timber production and marketing. The second aspect was related to their experience in obtaining the timber certificate (S-LK), including their motivation, process of preparation, certification auditing, funding and other support. The third aspect was related to their perception on SVLK, their challenges/constraints in obtaining and maintaining their business and the S-LK certificate, as well as their input on how the SVLK system could be improved.

The quantitative analysis used the responses of interviewees to a question about the benefits of SVLK according to their experiences (question no. 15, Annex 1). Three aspects of benefits (economic, social, environment and management practice) were assessed based on the following indicators:
Economic – timber price, market access, production cost;
Social – group cohesion, network with external actors, knowledge improvement, collective action for activities other than timber business; and
Environment and management practice – total area of timber production, silviculture best practices, timber quality.

Each indicator was scored by values of 1, 0 or -1. A score of 1 (one) was given when the respondent indicated some improvement on the indicator after the implementation of SVLK. A score of 0 (zero) was applied when there was no difference before and after the implementation of SVLK. A score of -1 (minus one) was given when the situation became worse after the implementation of SVLK. The key informants were also asked to provide evidence to justify their responses.

RESULTS

The results present the experiences of SVLK implementation based on the outcomes of the FGD and interviews with the key informants from seven case studies. The presented information covers experiences in obtaining timber certificates, including the motivation behind the certification, the process through which the certificate is obtained, source of funding, perceived benefits of certification and potential sustainability of the certificates. The first part of the results is an overview of forestry and SVLK implementation in the Lampung Province. This is followed by detailed information for each of the case studies. The information on each case was structured according to its general information or company profile, certification process, benefits of certification, sustainability of timber business and the certification, and the perception of the interviewees on the SLVK system.

Overview of forestry and SVLK in Lampung Province based on the FGD

Lampung Province was officially formed in 1964 by Law No. 14/1964 (www.hukumonline.com). The province has a total area of 3,301,545 ha. Based on the Decree of the Ministry of Forestry and Estate Crop Plantations No. 256/Kpts-II/2000, the extent and function of the forest area in Lampung Province amounted to 1,004,735 ha or 30.4% of the total area of the province. The forest area is categorized as Conservation Forest (462,030 ha), Protection Forest (317,615 ha), Limited Production Forest (33,358 ha) and the Production Forest (191,732 ha). Massive forest exploitation has occurred in Lampung Province since about 1965. Between the years 1969 to 1970, 29 companies harvested forest products or logs from 249,200 ha of forest in the Lampung Province. In 1980, there were 76 forest concession permits in Lampung Province. This had decreased to 48 in 2000, covering an area of 6,850 ha. Forest logging operated by the concessions have significantly increased the area of degraded land in the province (CIFOR, 2015).

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2 In 1998 the Directorate General of Estate Crop Plantation (Direktorat Jenderal Perkebunan), Ministry of Agriculture was merged to the MOF which became the Ministry of Forestry and Estate Crop Plantation.
In his opening remarks at the FGD activity (8 August 2017), the Head of Lampung Province Forestry Office mentioned that about 54% of forest area in Lampung has been degraded. Lampung is no longer producing timber from its natural forest. Timber from plantations will help Lampung to produce raw material for their wood-based industries. The Provincial Forestry Office has been trying to protect its forest area from illegal logging. Encouraging timber plantations on community lands is considered to be a good strategy for the future as has been showed by some successful examples in Java. Among the government efforts in Lampung was facilitating free seedlings (timber species, such as *Acacia* spp) distribution to the community. As the resource from regional government is always limited, cooperation with companies and communities are appreciated. Two companies have supported the provincial program by providing 500,000 free seedlings to farmers.

The Governor has provided instructions to make Lampung greener and to encourage greening activities on community lands. The provincial government has high ambition for this program regardless of the limited government budget. The government asked for collaboration to achieve the objectives. The MOEF Implementing Unit in Bandar Lampung, called BPDAS (*Balai Pengelolaan Daerah Aliran Sungai*), supported the provincial government by establishing permanent nurseries in 2011 that can produce approximately three million seedlings per year. These seedlings were planted in rehabilitation areas. Due to this intensive planting program, the Province of Lampung received the third national award on timber planting program in 2012.

The provincial government has been highly supportive of the development of timber plantations to provide secure log supplies to the timber industry in Lampung. Forest Product Monitoring Office recorded that the wood industry capacity in Lampung was up to one million cubic metres per year, producing sawn timber (88%); veneer (8%); plywood (3%); and furniture (1%) (Herawati, 2013).

The Head of Lampung Province Forestry Office also mentioned that in order to encourage the community's motivation in timber planting, the government has eased some regulations related to the timber transport document. In the past, the harvested timber from community lands needed to be accompanied by a timber transport document that was issued by government authorities, either by the provincial or district forestry offices or by a village officer. Nowadays farmers can prepare their own statement letters and use these as legal timber transport documents. While this regulation was designed to facilitate timber industries to have easier access to timber sourced from smallholder plantations, it may also encourage illegal logging. The timber certification, such as the SVLK is expected to avoid that outcome.

Lampung Province has been supported in many ways to implement SVLK, such as from Central Government and donors (e.g. DFID-MFP and JICA programs). The first national launch of SVLK for smallholder timber growers was also conducted in Lampung in November 2011 – five smallholder timber growers from Lampung, Yogyakarta, Konawe, Wonosobo and Blora received the S-LK certificate. The recipient from Lampung was the Community Log Giri Mukti Wana Tirta (Comlog GMWT) in Central Lampung District. In 2014, there were 16 community groups and one timber industry that had obtained the S-LK certificate through financial support from both central and provincial governments. The current data from the *Sistem Informasi Legalitas Kayu* (SILK) (MOEF, 2018) showed 17 timber industries in Lampung holding S-LK certificates, but most
of the S-LK certificates of 16 community groups or community timber growers held in 2014 had been suspended.

**Case 1: PK UKIR**

**General information**

*Perusahaan Kayu Unit Kreatif Industri Rakyat* (PK UKIR) is a group of smallholder timber producers/community cooperative established in 2016. The group consists of a company manager as the founder and six other members of smallholder timber companies or farmer cooperatives. The six members of PK UKIR are shown in Table 3. Members of this group were originally receiving assistance from the manager in preparing and obtaining the SVLK or Timber Legality Assurance System (TLAS). Prior to establishing this group, the company manager was among the active facilitators in a local NGO - the YKWS or *Yayasan Konservasi Way Seputih* (Way Seputih Conservation Foundation) - in Lampung Province, who were promoting the implementation of SVLK.

The name UKIR originally was an abbreviation of *Usaha Kayu Industri Rakyat* (Smallholder Timber Industry Business), which indicated that the main activity of the group was timber production. However, since some members were also running non-timber businesses, such as producing honey and coffee, the name UKIR later on became an abbreviation of *Usaha Kreatif Industri Rakyat* (Community Enterprises Creative Business).

PK UKIR is located at Sejahtera Estate Block A No. 36, Bandar Lampung. PK UKIR currently acts as a broker or middleman marketing various types of products produced by its members. The products marketed today are a variety of wood products such as wood carvings, kitchen utensils, parquet flooring and sawn timber. Non-timber commodities that are now intensively marketed are coffee (seed and powder). In addition to coffee, various other products are also sold such as honey, bamboo crafts, powdered brown sugar (*Arenga pinnata*), packaged pepper and tea (Figure 5).
Certification process

PK UKIR consists of companies and cooperatives that have obtained S-LK certificates. The S-LK certificates of the members were obtained in 2011 and 2013 at an estimated cost of Rp 35 million each (Table 3). All of these costs were provided by donors, such as under the Multistakeholder Forestry Program phase 2 (MFP-2) Project; the Department of International Development (DFID), United Kingdom; Japan International Cooperation Agency (JICA) program; as well as support from the Lampung Provincial Forestry Office.

**Table 2. List of PK UKIR member and certification status**

<table>
<thead>
<tr>
<th>No.</th>
<th>Business entity</th>
<th>Year obtained S-LK certificate</th>
<th>Approximate cost of certification (Rp)</th>
<th>Source of funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PK. Lestari</td>
<td>Varied (2011-2013)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Koperasi Giri Mukti Wana Tirta (GMWT)</td>
<td>2011</td>
<td>35,000,000</td>
<td>MFP-2</td>
</tr>
<tr>
<td>3</td>
<td>Koperasi Community Logging (COMLOG) GMWT</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>4</td>
<td>Koperasi Sentra Penyuluhan Kehutanan Pedesaan Kelompok Tani (SPKP-KT) Makmur</td>
<td>2013</td>
<td>35,000,000</td>
<td>MFP-2</td>
</tr>
<tr>
<td>5</td>
<td>PK. Maju Bersama</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>6</td>
<td>PK. Alipir</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Note: NA = Not available.
Benefit of certification

Most of the benefits of SVLK certification so far have been related to social aspects, especially in creating orderly administration of the cooperative. Knowledge of certification was increased and is expected to have a positive impact on forest and timber management. Among group members, business information exchange was increasing, strengthening their business networks and markets. Through the certification process, solidarity among members was also increased which strengthened their collective action beyond wood production activities.

Certification is yet to provide significant economic benefits. The price of certified wood was not higher than the non-certified wood. The number of buyers remained the same, and so the production was also unchanged. Timber certification did not incur additional cost to the cooperative members, as donors provided certification fees.

On the environmental aspect, PK UKIR believed that timber certification can stimulate the community to plant more timber on their lands as the future market of certified timber is going better. On the other hand, forest management practices were relatively unchanged. In terms of forest management, the community needs facilitation to increase their knowledge in applying best practices.

Sustainability of business and certificate

PK UKIR was a relatively new business entity and its business development is in early stages. Even though the company was formed based on the S-LK certification process, its current main business is the sale of coffee (seeds and powder). The coffee business is more profitable than timber. To keep members’ commitment to the cooperative, PK UKIR buys coffee beans at a higher price than the normal market price. The company bought coffee beans at Rp 30,000 to 40,000 per kg depending on the quality, as compared to the average price of Rp 24,000 per kg in the regular market. In addition, 25% of the profits earned by the company were returned to the cooperative as a group benefit.

Processed wood products such as parquet flooring, kitchen utensils and wood crafts were marketed through the SVLK network. Market destinations were domestic, even though all of the wood products have been SVLK certified.

Maintaining the continuity of S-LK was a challenge. Some members did not renew the certificates for various reasons, but mainly due to a reluctance to pay fees for surveillance audits when support from donors or government to cover the fees was no longer available. Significant economic benefits that compensate the cost for continuing certification seem to be a key factor for the continuation of S-LK

Perception on certification

The company manager was a former SVLK facilitator at field level and worked with support from national NGOs and JICA. He argued that the SVLK could be effective if government consistently supported the program. Government support could be provided, for example in the form of commitment to only use S-LK certified timber within government infrastructure development projects that use government funds, either the national government budget (APBN) or regional government budget (APBD). Currently there is no government commitment
to preferentially purchase certified timber produced in the domestic market. As smallholders can use the Declaration of Supplier Conformity document or Deklarasi Kesesuaian Pemasok (DKP) for their timber to enter the timber market chain for export destination, smallholder timber producers do not have interest to obtain S-LK certificates.

Case 2: Kelompok Tani Hutan “Karya Tani Sejahtera”

General information

Kelompok Tani Hutan (KTH), also known as Karya Tani Sejahtera, is a forest farmer group that was established in 2016. The group is located at Buana Sakti Village, Batanghari Sub District, East Lampung District. Core business of the group is planting acacia (Acacia mangium) and processing the wood into handicrafts. In addition, this group produces honey. The group consists of 23 active members.

The government greening program that provided acacia seeds to the community triggered acacia planting. The greening program was started in 2011 and supported by BPDAS or MOF-Watershed Management Unit by providing free seedlings to the community to be planted on their private lands. About three million seedlings were distributed within several years starting in 2011. People were interested to plant acacia as they were told that the wood price was promising (about Rp 1 million per cubic meter). People expected that the harvest of acacia wood would provide enough money to cover costs in performing pilgrimages or sending their children to university. The expectations, however, have not been met as acacia wood is currently very cheap and the only buyer interested to buy the wood is a pulp mill from the neighboring district (South Sumatra Province).

Process of certification

The group is in the process of obtaining an S-LK certificate, assisted by PK. UKIR as described in Case 1. The cost for S-LK certification auditing is estimated at about Rp 30 million to Rp 35 million. Funding for this auditing is yet to materialise, though the group is expecting funding support from government or a donor.

The most difficult task to fulfill SVLK certification requirements is providing land certificates or titles. The cost for obtaining land titles is high and cannot be afforded by most of the group members. To reduce cost, the certification will be proposed as group certification. Other than the land title issue, group certification was also facing difficulties in completing participatory land mapping and in preparing timber-tracking documents of wood produced.

Benefit of certification

For this group, the certification process has provided some economic, social and environmental benefits, even though the S-LK certificate has not been awarded. On economic aspects, although the market for timber is limited, the market of wood products, such as woodcarvings and other handicraft merchandises was increased due to an increase in the number of buyers. Buyers were introduced through the certification network. These new opportunities in producing and selling wood products were expected to increase new acacia plantations by group members. The current log selling price however was relatively unchanged.
The certification process provides many social benefits, such as enhancing group cohesion, group knowledge about timber administration and expanding business networks. Benefits were also related to environmental aspects, with the increasing interest of group members in the timber plantation business. However, the spirit has declined lately due to the low selling price of acacia wood. In addition, the knowledge gained in the certification process has yet to provide any impact on improved timber management.

**Sustainability of business and certificate**

In general, community interest in the business of timber plantations was high. Most of the group members still maintained their acacia plantations, albeit with relatively limited investments. Figure 6 illustrates an acacia plantation belonging to a member of the group in Buana Sakti Village. The plantation physically is similar to other smallholder plantations without the certification program.

The low selling price of acacia wood, which was only IDR 150 per kg or approximately equal to IDR 150,000 per cubic metre (farm gate price) has lowered group members' spirit to expand acacia plantations. The selling price was pegged by the only buyer of pulp, a company which was aggressively looking for acacia wood in Lampung Province. The price was not competitive compared to the price of cassava that was Rp. 1,100 per kg. Some farmers have already replaced their acacia plantations with cassava to look for more profit.

Members of the group who still maintain acacia plantations utilize their acacia wood to produce high value-added handicrafts, such as woodturnings, carvings and kitchen utensils. The group members also diversified their business by developing honey cultivation from *Apis cerana* bees.
Perception on certification

According to the head of community group, the SVLK certification would be adopted by smallholders if the maintenance cost is cheap and the market responds positively to certified timber, such as increased demand for the certified timber and attractive prices. He also said that the SVLK regulations were often changed and people were somewhat bewildered to follow such rapid regulatory changes. The community expects that the government would facilitate the SVLK certification process.

Case 3: PK Lestari

General information

PK Lestari is a timber company holding a Timber Forest Product Utilization license or Izin Usaha Pemanfaatan Hasil Hutan Kayu (IUPHHK) from the Minister of Forestry, based on MOF Decree No. 16/III.16/2010 dated on February 1, 2010. The company produces sawn timber of various types with a production capacity of 3,500 cubic metres per year. The timber species include sengon (Paraserianthes falcataria), pulai (Alstonia scholaris), pete (Parkia speciosa), jengkol (Archidendron pauchiflorum), melinjo (Gnetum gnemon) and teak (Tectona grandis). Raw material is collected from smallholder timber plantations around North Lampung District through six suppliers (middlemen). Some timber is sourced directly from the smallholder growers. Figure 7 illustrates a circular saw among other bandsaws operated by the company.

The company is jointly owned by two people who hire a manager to operate the daily business. The company employs about 15 workers operating five bandsaws and a circular saw. The
company’s address is in Margomulyo Abung Jayo Village, Sub District of Abung Selatan, North Lampung District.

![Figure 7. Timber processing at PK Lestari, North Lampung District](image)

Certification process

The company obtained a S-LK certificate in 2013 through the assistance of the DFID funded MFP-2 project. The donor (MFP2-DFID), in cooperation with a local NGO (YKWS) and provincial government (Provincial Forestry Office of Lampung), provided all costs and facilitation during the first SVLK certification. The company maintained its certificate through two surveillance audits (2014 and 2015) and had its certificate renewed in 2016. The next surveillance audit is scheduled in 2018.

The company provided all costs of certification surveillance and renewal. The audit costs were Rp 22 million for each of the surveillance audits, and Rp 22.5 million for certificate renewal. The next surveillance audit fee in 2018 is estimated at Rp 17.5 million. The certifying body was Sucofindo.

The main motivation for the company to adopt SVLK certification was to obtain a wider market network. The expectation was achieved as demand for sawn timber products had increased since the company obtained its S-LK certificate. Market destinations are local companies in
Lampung Province, such as PT. Ciremai Jaya (in Bandar Lampung), PT Greenpia Indah Indonesia and PT. Tanjung Jaya Perkasa (in South Lampung District). The company also marketed their products to timber companies in Surabaya and Purbalingga in Java – these companies are generally exporters who ship their products overseas to such destinations as Korea, Japan and European countries, so they need products that are SVLK certified.

**Benefit of certification**

PK Lestari experienced positive economic benefits from its SVLK certification. Market demand was increased and derived from timber export companies that require S-LK certificates to legally sell their products. The company operated only two bandsaws in 2010 but increased this to four in 2014 and then to five bandsaws and a circular saw in 2017 as demand for their products increased. Throughout this period, the selling price of sawn timber was relatively stable at Rp 1 million per cubic metre for sengon wood and Rp 2 million per cubic metre for pulai wood and racuk wood (mixture of various wood species). Higher profit due to the increased demand from their timber sales compensated for the cost of SVLK certification.

The SVLK certification also provided social benefits as their knowledge on timber administration and governance increased. The company became aware of the potential benefit of using social media in their business, such as by applying WhatsApp and online timber legal document processing such as the Forest Product Administration Information System or *Sistem Informasi Penatausahaan Hasil Hutan* (SIHUH). The certification was assumed to provide environmental benefits as well by increasing demand for timber material and so increasing timber production by the community.

**Sustainability of business and certification**

The company felt optimistic with their business development due to the increasing timber sales. The company was proposing to increase its sawn timber production capacity up to 6,000 cubic metres per year, which would shift the company into the category of a medium industry. The current timber supply was relatively stable at about two to three trucks per day or 200-300 cubic metres per month. Constraints are often faced during the rainy season as supply of wood is slightly decreased due to difficult road access to transport the wood from farms to the mill. Wood price is also higher during the rainy seasons due to the increased transportation cost. Sometimes the poor condition of roads meant that the timber supply was completely stopped and the mill was forced to stop its production.

Responding to the growing market, the company was planning to maintain the S-LK certificate. Costs incurred for audit surveillance were considered as a component of production costs and should be compensated by the timber sales.

From all of the cases being studied, this company was the only example where SVLK certification was seen as being central to the sustainability of the business of the company.

**Perception on certification**

The company thought that SVLK certification helped their business to grow as it opened up market opportunities for exports, although so far the company has not exported sawn timber
directly. The S-LK certificate had no significant benefit for the timber sold into the domestic market.

The cost of certification was not considered too burdensome as long as timber sales compensated for it. However, the audit fee was expensive as the auditor company was located in Java; there were no auditors based in Bandar Lampung. The company was expecting to pay cheaper surveillance auditing fees if it could hire auditors based in Bandar Lampung.

The company felt that too many verifiers had to be checked during the audit process. Based on their experience, many of verifiers were difficult to fulfill. Preparing detailed production reports was among the obstacles during the audit process. The company needs to hire specialized staff to handle data collection and reporting.

**Case 4: CV Karya Abadi Sejahtera**

**General information**

CV Karya Abadi Sejahtera was originally a sawmill or *Perusahaan Kayu* (PK) established in 2006 as PK Karya Abadi, and owned by a resident of Lampung. The company has a factory area of 6,000 square metres located in Bumi Raya Village, South Abung Sub District, North Lampung District. The company has held an IUUPHHK permit since 1 August 2006. A year later, the company purchased a rotary machine to produce timber veneer and sold the product to PT Andatu Lestari Plywood mill. The sale of veneer was shortlived, ending in 2007 with the bankruptcy of PT Andatu Lestari. The company then bought secondhand plywood machinery from PT. Andatu Lestari and produced plywood.

The company was growing and in 2011 installed a new rotary plywood machine. In 2013, plywood production from PK Karya Abadi reached 2,207 cubic metres, all of which was sold to local markets. The company could not produce plywood of export standard due to the low quality of the production machines.

PK Karya Abadi underwent a period of management instability during 2013-2017. The legal status of the company was changed to CV Karya Abadi Sejahtera and the company now has an industrial capacity of 6,000 cubic metres of product per year.

The company employed 100 local workers. Current plywood production was at full capacity at about 500 cubic metres per month. The company purchased timber from about 10 suppliers on a contract basis. The suppliers sourced sengon (*Paraserianthes falcataria*) and mixed timber, such as candle nut (*Aleurites mollucana*), pulai (*Alstonia scholaris*) and jengkol (*Archidendron pauchiflorum*) from smallholder growers. The company bought timber from the timber suppliers at prices up to Rp 700,000 per cubic metre for sengon and about Rp 650,000 per cubic metre for the mixed species.

The company produces 7.5 mm thick plywood that is sold to regional markets. Figure 8 illustrates veneer processing, and Figure 9 shows the final plywood product. The main marketing destinations were Lampung Province, Padang city (West Sumatera) and Pekanbaru (Riau Province). An informant commented: "The market we targeted was only around Lampung, Pekanbaru and Padang. We are dealing with owners of warehouses/distributors who resell our products to end users through retailers or building or road contractors."
Figure 8. Veneer processing at CV Karya Abadi Sejahtera

Figure 9. Plywood produced by CV Karya Abadi Sejahtera
Certification process

The company knew about SVLK when it was invited to the SVLK dissemination meeting at Novotel Hotel in 2014, organized by Lampung Provincial Forestry Office. The company was then included amongst the receivers of SVLK facilitation by the local NGO (WATALA) with support from the Japan International Cooperation Agency (JICA). The Forestry Department provided funds to facilitate joint SVLK certification by a group of companies in the Lampung Utara District.

The certification process was started in 2015 through group certification, together with four other timber companies (sawmills and processing timber companies). The group established a legal joint statement during this SVLK process, stating that they will share tasks, responsibilities, as well as joint ownership of SVLK. The agreement stated that when any member of the group violated the compliance of SVLK, then the certificate would be revoked for all group members. After going through a series of document preparation processes and assessment by SUCOFINDO as auditor, the group finally obtained its S-LK certificate in 2016 (Figure 10).

The Ministry of Environment and Forestry (MOEF) through the Provincial Forestry Office facilitated the initial cost of S-LK certification. However, the group has to pay the surveillance audit fee of Rp 25-30 million, or about Rp. 5-6 million for each member to maintain the certificate.

![Certificate Image](image.jpg)

**Figure 10. S-LK certificate of CV Karya Abadi Sejahtera**
Benefit of certification

Two years after the company obtained its S-LK certificate, it had experienced no economic benefits as there had been neither an increased selling price nor improved market access. The company was keen to open up export opportunities, but that had not been achieved due to the insufficient production capacity and product quality to meet the requirements of export markets.

In the domestic market, government does not prioritize the use of SVLK certified timber or wood products in its development projects given that procurement for infrastructure development sourced from government funds does not require SVLK certified timber. This means that SVLK certified timber does not have any economic advantage as compared to uncertified wood.

On the aspect of management, SVLK certification provided a positive influence to company staff in improving administration practices. The staff are now more skilled in administering the production process, such as good documentation related to timber inventory and the calculation of product recovery. They also have a better understanding of the timber legality aspect – through the application of SVLK, the origin of timber is clearly recorded to prove its legality. These practices would assist the company in progressing into export markets.

Sustainability of business and certification

The company made efforts from 2009 to 2011 to maintain timber resources for its business through support for a planting program following harvesting of smallholder forests. The program was completed in collaboration with the Extension Agency of Agriculture, Animal Husbandry, Fisheries and Forestry or Badan Pelaksana Penyuluhan Pertanian, Perikanan dan Kehutanan (BP4K). In the program the company provided seeds to farmer groups who had completed their forest harvest and sold timber to the company. The program has led to eight-year-old acacia stands ready for harvest.

The condition of the factory machinery was a major obstacle to developing export markets – the established machines could not meet export quality requirements. Export markets also demanded a more continuous supply of product that the company was unable to meet. When the company’s financial situation became favorable, it planned to invest in new machinery to produce barecore.

Based on the experience of the company manager, the timber market network in the Lampung area was dominated by Chinese ethnic group actors. They dominated the wholesaler market system, making it difficult for other actors, in particular local entrepreneurs, to penetrate the existing market. This situation was a significant obstacle to company’s business development. On the other hand, partnering with large contractors (such as PT Waskita Karya) to supply timber required substantial capital, since the payments were usually received two to three months after the product delivery. This payment schedule was very difficult for the company to deal with. These difficulties related to marketing of products were the main factors affecting the viability of the company’s business.
The company did not conduct the surveillance audit of the S-LK certificates that should have been done in February 2017. Thus, the S-LK certificate was suspended. The decision not to conduct the surveillance audit was taken as among the five group members, only two companies (including CV Karya Abadi Sejahtera) were interested in continuing the certification. The rest refused to pay the surveillance cost to maintain the certificate. Members who refused no longer had operating factories, or had changed their business. Although the certificate has been suspended, CV Karya Abadi Sejahtera continues practicing the administration procedures required of the SVLK certification system.

Perception on certification

The company believes that as long as the product is produced only for the local market, the S-LK certificate is not necessary. The S-LK certificate is not required for products purchased by local buyers or government infrastructure projects. The S-LK certificate is only required when the product is designed for export. The company hopes that the government will give priority to timber suppliers with S-LK certificate.

The company is not concerned with the cost of certification if the economic benefits of the S-LK certificate are real. An informant said: “For us, the cost issue is not a significant constraint factor. If we have to pay ourselves, it is fine, as long as the SVLK provides impact to expand market potential. Our company's decision is to continue the SVLK”.

Case 5: PK Alipir

General information

Perusahaan Kayu Alipir is a sawmill company managed by a family for generations and located in Kalibening Raya Village, South Abung Sub District, North Lampung District. The current director of PK Alipir was appointed village chief on 24 July 2017, for a third period.

PK Alipir produces its own sawn timber and also provides sawmill services in the North Lampung District. Its markets for sawn timber have been extended to Java, especially in Tanggerang, Banten and Banjarnegara, Central Java. The production volume of sawn timber was 300 cubic metres per month of rubber wood and racuk or mixed wood species such as jengkol (Archidendron pauchiflorum), petai (Parkia speciosa), and durian (Durio zibethinus). The current market demand of rubber sawn timber was around 20 tons per month, with the price range between Rp 1,2 million to Rp 1,6 million per cubic metre. Unlike other wood species, sawn rubber wood needs to be soaked for several minutes in a preservative to prevent blue stain. For sales in Lampung Province, the sawn timber was sold as boards, rafters, and beams and primarily used for building construction.
PK Alipir was one of five companies whose SVLK certification was facilitated as a group scheme by the local NGO (WATALA) with support from the Japan International Cooperation Agency (JICA), and the Lampung Provincial Forestry Office. Members of the group consisted of wood processing companies in North Lampung District (including CV Karya Abadi Sejahtera).

The process of SVLK certification was the same as that experienced by CV Karya Abadi Sejahtera. The initial audit was completed by PT. PCU (Peterson Control Union) Indonesia. The S-LK certificates were obtained in 2016, and were valid for three years. The proponents incurred no expenses, because government and donors facilitated all costs.

The first surveillance audit for group members was due in 2017. However, the audit was not conducted as not all members were willing to pay for the surveillance costs. Individual surveillance auditing was not possible as the S-LK certificates were issued as a group certification. In addition to the cost, some companies were not ready to participate as their incomplete administration documents were not compliant with the requirements of the certification scheme. Due to these challenges, the certificate was suspended.

Benefit of certification

An informant from PK Alipir stated that the main benefit from SVLK certification was better internal administration of their factory operation. They improved the timber documentation and book keeping systems, in particular the timber inventory and origin of the timber.

In terms of prices and markets for timber products, the S-LK certificates had yet to have any impact. However, it appeared that there had been a positive influence on the way that timber was transported – prior to 2016, the control on timber trade from Sumatra to Java was very
tight but after 2016, the trade was much freer and illegal fees that were previously incurred along timber transportation route were much reduced.

Sustainability of business and certification

According to the owner, the prospect of the sawmill business remained promising, especially when viewed from the trends of timber supply and demand. Timber supply from smallholders was sufficient and peoples’ motivation for planting trees was driven by economics – timber served as saving accounts for farmers, where within five to six years it could be harvested to get cash. The continuing demand for timber provided confidence to the timber company to continue its business.

The impact of SVLK itself to the business had yet to be realised, and so the company decided to discontinue the certificate. Sawmill businesses however can operate whether with or without S-LK certificate; no sanctions are applied to sawmills that do not have S-LK certificates.

PK Alipir is still interested to continue the SVLK certificate, because all certification requirements have been fulfilled. However, some of the members in the group were no longer willing to continue with the certification, which meant that all members of the group could no longer have a S-LK certificate.

Perception on certification

PK Alipir perceived that SVLK certification had created better timber administration practices in the company. All timber sales and processing documents were correctly recorded and stored. The certification however had yet to provide any benefits related to timber prices and market opportunities. Although PK Alipir was initially certified at no cost to the company, it considered the cost for continuing surveillance audit as burdensome.

The owner perceived that the mandatory of SVLK rules have not been implemented by giving strict sanctions to industries that did not follow the SVLK certification. This condition provided no motivation for the company to continue the certification. However, this missperception arose due to not understanding that the SVLK policy only applied only to export destination timber rather than to all traded timber.

In general, PK Alipir argued that in terms of the performance of their timber business, there was no difference before and after the SVLK certification. The company continued to apply the principle of SVLK to their administrative system, even though the certificate itself was currently suspended.


General information

*Koperasi Sentra Penyuluh Kehutanan Pedesaan* (SPKP) Makmur is a timber-based community group located in Toto Projo village, Way Bungur Sub District, East Lampung District. Most members planted acacia in their woodland. The community became motivated to plant timber in 2002. Previously, some communities carried out illegal logging activities in the national park area located adjacent to the village. National park officials continue to take action to prevent
illegal logging, and have a strategy to support timber planting on community land. Timber companies also encourage the community to produce timber for wood industries.

Members of the cooperative consisted of farmer groups from eight villages. Thirty-three people were active members, with another 150 members inactive. The cooperative, initiated from an active farmers group in Toto Projo village, was established due to the need for establishing a legal entity when proposing SVLK certification.

Toto Projo village is a resettlement area under a government transmigration program that was established in the 1950s. Most of the residents are descendants of transmigrants from Central and East Java provinces. When their parents first arrived in this area they were allocated two hectares of agricultural land by the government. The agricultural area was expanded by encroaching Way Kambas National Park or Tanaman Nasional Way Kambas (TNWK).

A group informant stated that the main motivation for forming farmer groups was the desire to atone for the mistakes of their parents who encroached and thus degraded the TNWK area. The residents have experienced various negative impacts from the degradation of the TNWK area. For example, the replacement of elephant habitat in the forest by extended residential and agricultural areas forced elephants to leave the forest and search for food sources on the community’s agricultural lands. Another negative impact from the TNWK degradation was the siltation of rivers and occurrence of several forest fires. An informant explained:

"We remember that initially the depth of the river (Way Kambas) could reach four metres, but now the river becomes much shallow of only about 1-1.5 meters depth. The condition indicated very high erosion that happened at the upstream region. We also witnessed forest fire occurred several times. Although the area of TNWK is not peatland, forest fire is one of the major disasters".

The disasters encouraged the community to form a group. They shared opinions on how to improve land and water resource management to improve the sustainability of land and water resources to support irrigation for their rice fields, fishponds, and livestock activities. Most people who shared their opinions and concerns were farmers who cultivated rice fields and fishponds. Some of community members also raised livestock, and had rubber gardens and woodlots.

Motivation to plant trees was driven by the increasing demand for timber, and the fact that the forest could no longer provide the required material. At the same time, officers from TNWK often organized activities, mainly focussed on farmer groups, to increase peoples’ awareness of the importance of not encroaching the forest and practising illegal logging. The result was good, as since 2006 or four years since the formation of farmer groups, forest encroachment and illegal logging were no longer happening in the Toto Projo village.

In addition to receiving guidance from the National Park officers, farmer group members have also received assistance in form of seedlings through partnership with PT Andatu Lestari. Cooperation between community groups and PT Andatu Lestari enhanced peoples’ motivation to plant timber on their private lands. The types of timber they planted were teak (Tectona grandis), gmelina (Gmelina arborea), acacia (Acacia mangium) and sengon (Paraserianthes falcataria). Since 2002, the area of community forest in the Toto Projo village had increased
rapidly to about 172 ha. Part of the community plantation can be seen in Figure 12. The group leader always encouraged people to plant timber, and he shared his beliefs that timber would have a good market prospect.

**Figure 12. Acacia plantation at SPKP Makmur Farmers Group with SVLK**

**Certification process**

Farmers in the Toto Projo village have known about timber certification since 2010. Farmers were hearing news that in order to sell timber they must have a timber certification certificate. However, farmers did not fully understand the information about timber certification.

In 2015, a team from WATALA and the University of Lampung (UNILA) introduced the SVLK system in the village area with funding support from JICA. The forest farmer group in this village was then selected as a pilot group to be assisted in obtaining SVLK certification. The certification preparation process was conducted for three months through intensive mentoring activities. Group coaching was also provided by YKWS.

Among the requirements to obtain SVLK certification was that the group must be a legal entity, and the private lands should have a land title or land certificate (*Surat Keterangan Tanah/SKT*). The legal entity was established as SPKP Makmur, which combined farmer groups within eight villages. As for the land titles, the group could only provide land certificates for 33 ha of the private lands; thus, the subsequent SVLK submission process was only based on this area.
The certification process was entirely facilitated and funded by the JICA project and the District Forestry Office. The facilitation included community training, institution strengthening, nursery establishment, planting trees, and community training on woodcrafting. Through independent assessment by SUKOFINDO as the auditor, in 2015 SPKP Makmur successfully obtained its S-LK certificate.

**Benefit of certification**

The SVLK certification program has benefited the group through training and facilitation on practices related to timber inventory, forest mensuration (such as calculating the volume of a timber stand), nursery production, timber cultivation (silviculture), logging, and woodcrafting. The most widely appreciated training by the community was the training on woodcrafting, which improved creativity of the group in utilizing wood waste to make wood handicrafts – key chains, wooden bags, and lamp shades. The handicrafts have been sold as souvenirs, such as for wedding parties. Marketing of the products was facilitated by WATALA and a research team from UNILA who visited the village. The handicrafts can now be found around the city of Bandar Lampung. Sales of handicrafts were channeled through the cooperative, which received a commission of 10% of the sales price.

The S-LK certificate so far has had no impact on the selling price and marketing of the timber. Timber growers have been harvesting and selling timber without using the S-LK certificates, since there has been no difference between the price of certified and non-certified timber. Sengon sawn timber was sold for Rp 1.8 million per cubic metre.

Most of the community was not interested in selling acacia timber. The offered price by the market for this timber was very low, i.e. only Rp 250 per kilogram of wood in the form of peeled logs (free from bark). Demand for the timber came from a pulp mill based in South Sumatra Province (PT Tanjung Enim Lestari/TEL). In addition to the cheap price, payment was made one week after the wood arrived at the factory. Growers rejected this market offer as it was unprofitable – they preferred to maintain their acacia plantations albeit the trees had reached harvesting age.

**Sustainability of business and certification**

The business activities of SPKP Makmur were designed to meet the various needs of its members – these needs included those related to timber production and agricultural activities. Sales of timber (acacia) have not been made, but the group has been using wood waste to produce handicrafts. Handicraft marketing was done individually through personal promotions as well as assistance from other parties. The group is making plans to join PK UKIR in Bandar Lampung to be part of a larger smallholder timber producers’ cooperative.

SPKP Makmur had it’s the first surveillance audit in 2017 under the certificate that is valid until 2025. The government through the District Forestry Office facilitated the surveillance auditing. The group has not decided whether or not to continue with the surveillance auditing. The absence of donor and government funding support is a challenge for the continuity of the S-LK certificate.
The current low price of wood (acacia) did not discourage the group in maintaining timber plantations. The group believes that the price will improve in the future. So far only about five ha of acacia trees have been harvested in Toto Projo village. In general, the trees were 10 years old. The low wood price however has influenced some timber growers in surrounding villages. Some growers in Sukadana Village, for example, have cut down their young acacia plantations and replaced them with cassava.

Perception on certification

The community initially viewed SVLK as threat to their timber business, because they thought they could not sell timber without the S-LK certificate. However, after they received assistance, they had a better understanding about SVLK certification and have welcomed the program, even though it did not result in a change to the selling price of their timber or increased markets. The group however experienced other benefits through training activities that have increased their capacity; for example, group members became creative in adding value to wood waste to produce handicrafts.

Case 7: PT Green Pia Indah Indonesia

General information

PT Green Pia Indah Indonesia is a wood processing industry that was established in 2000. A Korean investor owns the company. The factory is located in Haduyang Village, Sub District Natar, South Lampung District, about 30 km from Bandar Lampung city.

PT Green Pia produces finger-jointed and laminated timber (Figure 13). Initially the company exported the products made from high-density species to Korea. However, during 2003 to 2006 the production shifted to use sengon for products that were exported to Japan and China. In 2006 the timber species was changed to pulai (Alstonia scholaris). Sengon is still used, but the main species processed is pulai. Other wood species that have been used include mixed species or racuk such as (Archidendron pauchiflorum), petai (Parkia speciosa), and durian (Durio zibethinus), which had acceptance in markets in Japan and China.

The monthly sales volume of the company was 120 cubic metres, mainly for export, with some products marketed locally in Lampung Province. The selling price in export markets for the finger-jointed timber of pulai was USD 600 per cubic metre.

Certification process

PT Green Pia Indah Indonesia was awarded a S-LK certificate in 2012 by PT BRIK, one of the SVLK certification bodies in Indonesia. The first certificate was valid for three years from 2012 to 2015. The certificate was renewed by PT BRIK in 2016 and is valid until 2021.

An informant from PT Green Pia said that the cost for initial certification was Rp 25 million. The annual surveillance fee ranged from Rp 12 million to Rp 22 million. The cost for recertification in 2015 was Rp 27 million. These costs did not include auditor's operational costs during the assessment process. Nor did the cost include all expenses for document preparation prior to the certification auditing process; this cost was more than Rp 50 million.
Benefit of certification

According to PT Green Pia, so far the S-LK certificate has had no direct impact on selling prices. In fact since SVLK certification the export price of the company’s products had decreased from USD 700 to USD 600 per cubic metre under the influence of macro-economic conditions, trade competition and currency exchange rates.

The S-LK certificate did not directly open wider export markets because the importers did not require a certified product. However, since SVLK is mandatory for Indonesian companies who export timber products, the company maintained its S-LK certificate to meet its legal obligations.

The company found that SVLK certification improved its industrial governance, especially in the management of production, production documentation and product quality improvement. Knowledge of certification also increased and so it was expected to have a positive impact on the company’s understanding of forest management.

Sustainability of business and certification

PT Green Pia is an example of medium-sized company that has been in business for the last 18 years. This wood processing company has relied on a raw material supply from Lampung Province that has been relatively stable either from natural forest or smallholder private forests, with supply from smallholder timber plantations being more important in recent years.
Perception toward certification

PT Green Pia welcomes SVLK certification for export wood products. It was of the opinion that companies would be more motivated to maintain the certification if it increased export market opportunities. In addition, the company expected to have a lower cost for maintaining the certification.

Overview of SVLK Implementation at Bulukumba District

General information

The District of Bulukumba, South Sulawesi Province, has 8,453 ha or 7.3% of its total area as state forest comprised of protected forest (3,538 ha), sanctuary reserve and conservation forests (3,475 ha), limited production forest (509 ha) and production forest (931 ha). Apart from these forest, there is around 22,500 ha of private smallholder forest, distributed in nine sub districts, i.e. Kajang, Herlang, Bontotiro, Bontobahari, Ujung Loe, Bulukumpa, Rilau Ale, Gantarang, and Kindang, producing 24,236 cubic metres per year of commercial log (BPS Kabupaten Bulukumba, 2010). The forest was developed on private land areas under a government rehabilitation program started in 1990, and the forests have been harvested since 2005. Around 110 forest farmer groups were managing these forests supported by the District Forestry Office.

In 2011, smallholder private forests in Bulukumba District were supported by the Sulawesi Community Foundation (SCF) through the Multistakeholder Forestry Programme (MFP), Department for International Development (DFID). In collaboration with the District Forestry Office, the SCF provided facilitation and assistance to growers to strengthen smallholder timber plantations, in particular through the governance of timber production and trade. This assisted the growers to comply with the Ministry of Forestry (MOF) Decree No. P.68/Menhut-II/2011 and the regulation of the Director General of Forest Enterprise Development No. P.8/VI-BPPHH/2011, related to the assessment of sustainable forest management or Pengelolaan Hutan Produksi Lestari (PHPL) and timber legality verification or Verifikasi Legalitas Kayu (VLK). The objective was to assist forest farmer groups to apply the Timber Legality Assurance System (TLAS) and obtain S-LK certificates.

Certification process

Facilitated by the SCF and District Forestry Office, an association of smallholder timber producers or Asosiasi Pengelola Kayu Rakyat (APKAR) was established on 7 June 2011. The association was designed to strategically position the smallholder timber producers for collective action in obtaining the S-LK certificate and increase their bargaining power in timber trading. In early 2012, assistance was provided to APKAR members (consisting of eight farmer groups within four sub-districts) to improve their performance in managing timber plantations and complying with the certification principles. The association then applied for certification on their eight farmer groups to PT. SUCOFINDO; these groups were granted a S-LK certificate on 9 June 2012 that was valid to 8 June 2015.
In 2013, the District Forestry Office provided government funds to expand the certified areas by including six other farmer groups. These 14 farmers group were granted the S-LK certificate by PT. SUKOFINDO on 9 June 2012. The farmers group and their details are presented in Table 3.

**Table 3. List of farmer groups granted a S-LK certificate in Bulukumba District**

<table>
<thead>
<tr>
<th>No.</th>
<th>Farmer Group</th>
<th>Village</th>
<th>Sub District</th>
<th>Timber plantation area (ha)</th>
<th>Number of member (households)</th>
<th>Timber species</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Melati</td>
<td>Sapobonto</td>
<td>Bulukumba</td>
<td>42.1</td>
<td>63</td>
<td>Sengon, suren, bitt, gmelina, mahagony</td>
</tr>
<tr>
<td>2</td>
<td>Ma'bulosibatang</td>
<td>Balang Taroang</td>
<td>Bulukumbapa</td>
<td>19.4</td>
<td>30</td>
<td>Suren, sengon, jackfruit, durian, teak, rambutan</td>
</tr>
<tr>
<td>3</td>
<td>Sipaturu'e</td>
<td>Bonto Bangun</td>
<td>Rilau Ale'</td>
<td>10.9</td>
<td>21</td>
<td>Gmelina, teak, bitt, sengon, mahogany</td>
</tr>
<tr>
<td>4</td>
<td>Mattoanging</td>
<td>Bonto Lohe</td>
<td>Rilau Ale'</td>
<td>27.6</td>
<td>40</td>
<td>Suren, sengon, gmelina, bayam, bitti</td>
</tr>
<tr>
<td>5</td>
<td>Taman Subur</td>
<td>Tamalanrea</td>
<td>Bontotiro</td>
<td>15.4</td>
<td>41</td>
<td>Gmelina, sengon, pulai, bitti, teak</td>
</tr>
<tr>
<td>6</td>
<td>Bonto Puang</td>
<td>Dwi Tiro</td>
<td>Bontotiro</td>
<td>11.5</td>
<td>34</td>
<td>Sengon, gmelina, teak, bitti, angkasa, pulai</td>
</tr>
<tr>
<td>7</td>
<td>Suka Makmur</td>
<td>Karassing</td>
<td>Herlang</td>
<td>34.1</td>
<td>33</td>
<td>Gmelina, sengon, teak, mahogany,</td>
</tr>
<tr>
<td>8</td>
<td>Lompo Mula</td>
<td>Batang</td>
<td>Bontotiro</td>
<td>6.6</td>
<td>21</td>
<td>Gmelina, teak, mahogany, bitti, sengon, pulai</td>
</tr>
<tr>
<td>9</td>
<td>Karya Bersama</td>
<td>Garuntungan</td>
<td>Kindang</td>
<td>26.6</td>
<td>36</td>
<td>n.a.</td>
</tr>
<tr>
<td>10</td>
<td>Pangka Tallua</td>
<td>Bukit Harapan</td>
<td>Gantarang</td>
<td>24.8</td>
<td>30</td>
<td>n.a.</td>
</tr>
<tr>
<td>11</td>
<td>Anrihu</td>
<td>Anrihua</td>
<td>Kindang</td>
<td>13.2</td>
<td>30</td>
<td>n.a.</td>
</tr>
<tr>
<td>12</td>
<td>A'lemosibatu</td>
<td>Bonto Barua</td>
<td>Bontotiro</td>
<td>20.2</td>
<td>30</td>
<td>n.a.</td>
</tr>
<tr>
<td>13</td>
<td>Harapan Kita</td>
<td>Pangalloang</td>
<td>Rilau Ale'</td>
<td>17.5</td>
<td>32</td>
<td>n.a.</td>
</tr>
<tr>
<td>14</td>
<td>Bina Bersama</td>
<td>Lamanda</td>
<td>Bontotiro</td>
<td>10.5</td>
<td>30</td>
<td>n.a.</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>280.3</strong></td>
<td><strong>471</strong></td>
<td></td>
</tr>
</tbody>
</table>

Notes: n.a. = not available

The cost of certification was provided by a donor (MFP) and the regional government (District Forestry Office). The preparation cost covered operational costs for meetings and facilitation fees required to assist the farmer groups to comply with the certification principles. The preparation cost amounted to about Rp 88 million, while the certification audit was Rp 50 million and the surveillance audit was Rp 30 million.

**Benefit of certification**

SVLK certification is yet to provide any benefit in economic terms, such as an increased timber selling price for the growers. To the growers, the benefits were limited to improvements to the
way that the farmer groups operated in terms of increased farmer capacity in collective actions, and better documentation of timber data and traceability.

**Sustainability of business and certification**

The future of SVLK certification in the Bulukumba District is uncertain due to the lack of economic benefits of the certification to timber growers. In addition, a government regulation (the MOEF Decree No. P.30/Menhut-II/2012) has exempted smallholder growers from obtaining a S-LK certificate as long as they can provide their land certificate and they sell their timber only for domestic purposes. The domestic timber market provides no incentive for SVLK certified timber.

The relatively high surveillance cost was another challenge for maintaining a S-LK certificate. In 2015, PT. SUCOFINDO reminded APKAR to conduct surveillance audit to maintain the validity of the S-LK certificate. APKAR did not have its own funding to continue the certification as the organization was relatively new and it did not collect member fees. There were no funds available from neither donors nor government for the surveillance auditing, so it did not occur, resulting in the suspension of the S-LK certificate.

In terms of timber markets, the species in most demand is teak (*Tectona grandis*). The resource of teak in the Bulukumba District has tended to decline as the development of plantations has not kept pace with the demand. This situation may indicate that the business of timber plantations is not competitive with other farming businesses.

**Perception toward certification**

SVLK certification of smallholder timber did not provide any direct economic benefits to the farmer groups. Unless the market paid more for SVLK certified smallholder timber, it seemed that SVLK certification would not sustainably adopted by smallholder growers in the Bulukumba District.

**Overview of SVLK Implementation in Pati District**

In the case of Pati District, only limited information was collected to assess the progress of SVLK certification. Based on information from the District Forestry Office, there were only three timber industry companies of small and medium scale who currently had S-LK certificates (Table 4). No farmer groups in the Pati District held S-LK certificates.

CV. Kayu Perkasa Raya is an outdoor furniture producer that has operated since 2011. The company uses teak (*Tectona grandis*), merbau (*Intsia bijuga*) and mahogany (*Swietenia macrophylla*) as the raw material. The S-LK certificate was obtained in 2013 and issued by SUCOFINDO. The certificate was renewed in 2016 with a validity period of six years. The volume of furniture sales was at least two to three containers per month with the main destination countries being Australia and Italy.

CV. Rajawali Perkasa Furniture commenced operations in 2003 to produce sawn timber. In 2005 the company started producing furniture with a capacity of less than 2,000 cubic metres per year, and increased production to 2,300 cubic metres per year in 2013. The products included tables, chairs, and other furniture. The company obtained a S-LK certificate in 2013 that was
issued by TUV Rheinland Indonesia. The certificate was renewed in 2016. The volume of furniture sales was at least two containers per month. The main export destination countries were New Zealand and the UK.

CV. Sengon Pati Jaya was established in 2012 and produced sawn timber with a production capacity of 2,000 cubic metres per year. The capacity expanded to 6,000 cubic metres per year in 2013 and the company started to also produce veneer – almost half of the total wood intake was used to produce veneer with different grades of production.

The general motivation of companies to implement the SVLK system was to comply with government regulations related to the export of timber products, or the requirements of large companies who bought the products.

Table 4. List of timber industries that held S-LK certificates in the Pati District

<table>
<thead>
<tr>
<th>No</th>
<th>Company</th>
<th>Production capacity (m$^3$/yr)</th>
<th>Timber species</th>
<th>Product</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CV. Kayu Perkasa Raya</td>
<td>6,000</td>
<td>- Teak, - Mahogany, - Merbau</td>
<td>Furniture</td>
<td>- S-LK since 2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Re-certification 2016</td>
</tr>
<tr>
<td>2.</td>
<td>PT. Rajawali Perkasa Furniture</td>
<td>2,300</td>
<td>- Teak</td>
<td>Furniture</td>
<td>- SVLK since 2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Re-certification 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- FSC since 2018</td>
</tr>
<tr>
<td>3.</td>
<td>CV. Sengon Pati Jaya</td>
<td>6,000</td>
<td>- Sengon, - Mix species (natural forest)</td>
<td>Veneer</td>
<td>- S-LK since 2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Re-certification 2017</td>
</tr>
</tbody>
</table>
DISCUSSION

The cases in Lampung Province are summarized in Table 5. The cases belong to three categories, i.e. farmer groups (cases 2 and 3), small-scale industries (cases 1, 4, 5 and 6) and medium-scale industry (case 7). Governments (the MOEF and District Forestry Office) helped by NGOs and supported by donors introduced and facilitated the certification process, and provided financial support to farmer groups and small-scale industries in obtaining their first S-LK certificates and carrying out surveillance audits.

Among the seven cases, six organisations had been issued with S-LK certificates but four of these had since had their certificate suspended due to discontinuation of the surveillance audit. The active certificates were held by PK. Lestari, a small-scale timber processing company (sawmill) and PT. Green Pia Indah Indonesia, a medium-scale wood processing industry. In both cases, the certificates were maintained as the main destinations for their products were export markets.

The experiences in Lampung reflect similar outcomes in other parts of the country, as illustrated by the cases in Bulukumba and Pati. In Bulukumba, smallholders also participated in the SVLK certification program that was initiated by local government, assisted by NGOs and supported by donors. All of the S-LK certificates that were issued were suspended, as financial support was no longer provided to smallholders which meant that they could not afford to pay for the costs of certificate surveillance. In Pati, the SVLK certification so far had been applied by companies but not by smallholders because of lack of financial support. Companies who held S-LK certificates were those who exported their products.

A previous study on certification in Java (Stewart et al., 2015) concluded that the certification of smallholder forests was challenging due to complexity in achieving certification, maintaining the required management system and in providing the initial and recurrent costs of certification. The study showed that the costs for certification for smallholder growers were heavily subsidized. Although the previous study was mostly based on the FSC certification, which was more complex than SVLK, the current study on SVLK certification showed similar findings. Smallholders were actively participating in the SVLK certification system provided they received financial support to cover the cost.

Javanese people have long targeted the District of Lampung as the place for migration. The migrants brought their Javanese culture, including their agricultural land management practices. To some extent, the behavior of smallholders in planting trees in the Lampung District has been influenced by the Javanese cultural model – timber is planted as a household saving and as an income diversification strategy. Smallholder timber plantations will play a strategic role in supplying the future timber material in the region, and Government at both central and provincial levels were intensively supporting the development of such plantations as part of a national social forestry program. This support included providing micro-credit for plantation establishment, and providing funding and facilitation for smallholders to obtain SVLK certification.
## Table 5: Summary of smallholder SVLK certification cases, Lampung Province

<table>
<thead>
<tr>
<th>Case</th>
<th>Year S-LK certificate obtained</th>
<th>Current status of the certificate</th>
<th>Positive impacts and opportunities</th>
<th>Challenges and threats</th>
</tr>
</thead>
</table>
| 1. PK UKIR Comlog Giri Wana Mukti | 2011                           | Suspended                         | - Improved knowledge of timber business governance  
- Start to develop collective actions among the awarded S-LK certificate companies in timber and non-timber business  
- Start to produce and market NTFP products (coffee bean, woodcrafts) | - Building commitments among members in developing mutual business  
- Developing market network of member’s products |
| 2. KTH Karya Tani Sejahtera  | In progress                     |                                   | - Improved knowledge of timber business governance  
- Improved collective action among members.  
- Increased supports from government and NGOs | At the initial stage of collective action and requires inputs on capacity development |
- Improved collective action among members.  
- Increased market access | Low price of acacia timber |
| 4. PK Lestari                | 2015                            | Active                            | - Improved knowledge of timber business governance  
- Improved market access and increased the volume of marketed sawn timber | Competition with timber suppliers in Java |
| 5. CV Karya Abadi Sejahtera  | 2016                            | Suspended                         | - Improved knowledge of timber business governance  
- Specialize in producing low-grade plywood for concrete formwork  
- Intensive infrastructure development in the region | No obligation to prioritize certified timber/plywood in government’s infrastructure projects |
| 6. PK Alipir                | 2016                            | Suspended                         | - Improved knowledge of timber business governance | No premium price for the |
Benefit of certification

A summary of the benefits of SVLK certification perceived by business actors from the seven case studies in the Lampung District is presented in Table 6. These data were derived from a quantitative analysis from the responses of interviewees to a question about the benefits of SVLK according to their experiences. Three aspects of benefits – economic, social, environment and management practice – were assessed against a number of indicators.

If there had been some improvement on each indicator after the implementation of SVLK, a maximum score of 77 would have been achieved across the seven case studies. The sum of benefits resulted in a score of 34, meaning that there were perceived benefits from SVLK certification on less than half of the indicators.

Most of the benefits of certification were perceived by business actors to relate to social aspects (score of 21), followed by those related to environmental and business management (score of 10), and then by those related to economic aspects (score of 3).

**Table 6. Benefits of S-LK certificate to smallholder timber plantations based on economical, social and environmental indicators**

<table>
<thead>
<tr>
<th>No</th>
<th>Indicator</th>
<th>Case 1</th>
<th>Case 2</th>
<th>Case 3</th>
<th>Case 4</th>
<th>Case 5</th>
<th>Case 6</th>
<th>Case 7</th>
<th>Total score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Economic:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Timber price</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>2</td>
<td>Market access</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Production</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Production cost</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total Economic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>B</td>
<td>Social:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Group collaboration on timber business</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Group collaboration on other business</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Business network</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Improved knowledge</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>
Total Social: 21

### Environmental and business management:

<table>
<thead>
<tr>
<th>Case</th>
<th>Indicator</th>
<th>1</th>
<th>1</th>
<th>1</th>
<th>1</th>
<th>0</th>
<th>1</th>
<th>0</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Expansion of smallholder timber plantations</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Silviculture practices</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Improved product quality</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Total Environmental and bussiness management: 10

Total score of all indicators: 6 7 8 4 2 4 2 34

Maximum total score (11 indicators X 7 cases): 77

Notes: 1 = Increased; 0 = Same; -1 = Decreased

Case 1 = PK UKIR; Case 2 = KTH Karya Tani Sejahtera; Case 3 = PK Lestari; Case 4 = CV. Karya Abadi Sejahtera; Case 5 = PK Alipir; Case 6 = SPKP Makmur Cooperative; Case 7 = PT Green Pia Indah Indonesia.

The benefits of certification to smallholder growers and companies in Lampung are illustrated by Figure 14.

![Figure 14. Benefits of SVLK Certification to Smallholder Growers and Companies](image)
Of the social benefits, actors in all case studies perceived an improvement in the indicators of ‘group collaboration on timber business’, and in ‘knowledge’, from the SVLK certification. This was the result of the development of business networks (business partners and communication among business actors), and improved knowledge about the regulation of timber businesses. These benefits potentially could improve social capital (stronger relationships and potential partnerships) of business actors and open more opportunities for them to cooperate. Some of the business actors also benefited through better collaboration in developing non-timber products. The best example was the establishment of PK UKIR, where its members simultaneously obtained SVLK certification and collaborated in selling various timber products (such as sawn timber and wood crafts) and non-timber products (such as coffee, honey and palm sugar).

On environmental and business management aspects, most business actors claimed that the process and improved public understanding on timber certification had encouraged them to plant more forests. Certification is seen to provide good business opportunities in the future and is expected to trigger more demand for timber. In the case of the SPKP Makmur Cooperative, however, smallholder growers replaced their timber plantations with agricultural commodities that were considered to be more profitable.

Business actors also perceived that through certification the quality of timber products was increased. Three of the four timber processing companies that were case studies indicated that SVLK certification had increased the quality of their products. Improvements in the systems of production and more regular monitoring had led to better product quality. On the other hand, the implementation of SVLK had not improved the silviculture of smallholder timber plantations. Smallholder growers continued to practise traditional timber management rather than applying better technology such as thinning and pruning according to good silvicultural practices.

On the economic aspect, only a small number of business actors experienced significant benefits. The main benefit was increased market access, resulting in increased production. So far, the S-LK certificate did not affect the cost of production, as in most cases the cost was provided by donors or government. For business actors who have paid their own surveillance auditing fee, the certification cost has been compensated by the increased volume of sales. The selling price of timber products does not appear to be related to the S-LK certificate. In the case of PT Green Pia, where the price of timber decreased after the S-LK certificate was obtained, the reasons for the price decrease were probably due to macro-economic conditions, trade competition and currency exchange rates.

Similar to the case in Lampung, the benefit of timber certification in Bulukumba was limited to social aspects, such as improved capacity of farmer groups to act collectively, better timber data and timber traceability. Economic benefits were yet to be realized.

Certification was originally developed as means of ‘environmental marketing’ (Maryudi et al., 2017). For consumers, a certification label provides a level of assurance about the way in which the timber product has been produced. Certification, whether applied voluntarily or through legislation, provides a mechanism for the promotion of sustainable forest management and
sustainable consumption patterns (Arts, 2014). Further, forest certification as a policy instrument to promote sustainable forest management is built on the pillars of economic, social and environmental factors (Islam and Siwar, 2010). In the current study, the main benefits of SVLK certification were related to improved social outcomes for different actors in the value-chain.

Cost of certification

The costs of S-LK certification comprise the cost of preparing the business to meet the requirements of the certification standard, audit fees for the certification assessment, and fees for surveillance audits of the certificate. The preparation cost for smallholder growers includes the costs of land certificates, land maps, forest inventories, and other documents as specified in the criteria and indicators of the S-LK certification.

Although most of the studied cases did not know the amount of preparation costs as these costs were provided by donors, it was estimated that these costs were the largest cost component in the certification process. For example, the preparation cost at PT Green Pia Indah Indonesia was at least Rp 50 million. The preparation cost for smallholder group certification was estimated to be more than that of a timber company. The reason was that a smallholder group needed to prepare many more documents, and usually was not as organised as a timber company in the administration of their timber business.

The certification auditing fee ranged from Rp 20 million to Rp 35 million, depending on the certifying body. These auditing costs do not include travel expenses of the assessors. As most of the assessment bodies (LP&VI) for timber certification are based in Jakarta, these additional costs are higher compared to those that would be incurred if local auditors were available.

The cost of surveillance ranges from Rp 12 million to Rp 22 million. It appears that there is no standard fee applicable to the cost of the certification. The costs depend on negotiation between the auditee and the auditor body. The above costs were for the period of 2013 to 2017.

Amongst the seven surveyed cases, only two companies still maintain S-LK certificates, namely PK Lestari and PT. Green Pia Indah Indonesia. The other five companies have decided not to renew their S-LK certificates; as a result, their S-LK certificates have been suspended. The main reasons for not renewing certificates have been the perceived absence of economic benefits, and the lack of donor assistance for the surveillance costs.

The cost of certification has been raised as key constraint for smallholders to participate in timber certification program (Obidzinski et al., 2014), particularly when the promised premium price of the certified timber was uncertain (Taylor, 2005). Many of suspended S-LK certificates as shown by this study confirmed this problem. Smallholder timber producers who do not have access to export markets have no incentive to hold the S-LK certificate as they can market their timber domestically using the DKP facility.
CONCLUSIONS

This study concludes that timber certification in Lampung Province was driven by donor and government initiatives and facilitation. A similar outcome was observed in the Bulukumba District, where the SVLK certification was supported by a government program through the District Forestry Office as well as by donors through the MFP-II program. In Pati, SVLK certification was obtained by timber industries with export destination markets, but no single smallholder timber producers held S-LK certificates.

In both Lampung and Bulukumba, smallholder timber producers and farmer groups welcomed the SVLK initiative and participated in the process to obtain S-LK certificates because the process did not incur any budget consequences. Community groups have benefited from SVLK certification by way of increased knowledge on the governance, sustainability and legal aspects of timber production.

Generally, the perception of timber business actors was that SVLK certification had not provided tangible economic benefits. While there was some evidence of improved market access, none of the businesses in the case studies achieved higher prices for their timber products as a result of certification. Some business actors exported their products to countries who were not seeking certified timber but were obliged to maintain SVLK certification to comply with Indonesian government regulations.

To promote wider adoption of SVLK and other timber certification schemes in Indonesia, the study recommends some interventions by the central and regional governments. The recommendations are:

- To increase the number of certification auditors at provincial level, in particular at the center of timber-based industries. Government could initiate training programs for Forestry Office staff, NGOs and local university staff to be certification auditors. Increasing the number of locally-based auditors in the region may reduce the certification cost.

- To develop a more efficient certification process. Many of the smallholder timber plantations that can be certified are constrained by administration costs to achieve and maintain certification. This could be achieved by further developing the concept of group certification to allow the aggregation of larger areas of forest under a single certificate to reduce administration costs per unit area of forest certified.

- To prioritize the use of SVLK certified timber on government infrastructure projects. The resultant increased domestic demand for certified timber could stimulate more smallholder growers to achieve SVLK certification.

- To promote the SVLK system at wider market destinations. Although European Union countries and some other countries have accepted the S-LK certificate, some countries prefer FSC certification as it includes a wider range of sustainability indicators. The full scheme of SVLK has a sustainability component through the S-PHPL – this needs to be promoted to improve export market access for Indonesian timber and timber products.
REFERENCES


legality verification on licence holders, or on private forests. Jakarta: Ministry of Forestry.


Annex 1. Survey questionnaire

KUESIONER SURVEY STUDI SERTIFIKASI KAYU RAKYAT

Oleh: Dede Rohadi dan Tuti Herawati

Kerjasama Penelitian

“Enhancing Community Based Commercial Forestry in Indonesia”

University of Sunshine Coast dan Badan Litbang dan Inovasi

Bogor, Agustus 2017
Panduan untuk Pewawancara

Wawancara sertifikasi kayu rakyat dilakukan terhadap nara sumber kelompok tani, industri kecil atau industri menengah yang pernah atau sedang mengusulkan sertifikasi kayu rakyat, baik perseorangan atau dalam suatu kelompok. Sebelum melakukan wawancara dengan responden atau kelompok responden, pewawancara agar memperkenalkan diri (nama dan asal instansi) dan menjelaskan kepada responden/kelompok responden tentang maksud dan tujuan wawancara ini. Beberapa informasi singkat yang perlu disampaikan antara lain adalah:

- Bahwa wawancara ini merupakan bagian dari kegiatan kerjasama penelitian “Penguatan Usaha Kehutanan Berbasis Masyarakat” atau “Enhancing Community Based Commercial Forestry” yang sedang dilakukan oleh Badan Litbang dan Inovasi Kementerian Lingkungan Hidup dan Kehutanan dan University of Sunshine Coast, Australia serta mitra lainnya yang mencakup Universitas Gajah Mada, Universitas Mataram dan Trees For Trees (T4T). Kegiatan penelitian ini bertujuan untuk meningkatkan manfaat ekonomi usaha kehutanan masyarakat melalui penguatan jaringan bisnisnya, peningkatan kapasitas pelaku usaha dalam pengelolaan tanaman (hutan) dan mendorong penciptaan kebijakan yang kondusif bagi perkembangan usaha kehutanan masyarakat.

- Bahwa informasi yang dikumpulkan akan diperlakukan secara rahasia dan digunakan semata-mata untuk keperluan penelitian.

- Analisa atas informasi yang dikumpulkan diarahkan untuk meningkatkan manfaat ekonomi usaha kehutanan masyarakat.

- Wawancara diperkirakan akan berlangsung sekitar 2 jam dan apabila diperlukan dapat diperpanjang sesuai dengan ketersediaan waktu responden/kelompok responden.

- Team peneliti menyampaikan terima kasih atas partisipasi responden di dalam wawancara ini dan berharap untuk memperoleh informasi yang berguna bagi upaya peningkatan penghidupan masyarakat.

- Bahwa Team Peneliti ataupun lembaga pelaksana penelitian tidak menjanjikan akan memberikan bantuan apapun sebagai kompensasi kesediaan responden/kelompok responden.

- Bahwa responden/kelompok responden mempunyai hak untuk menghentikan wawancara setiap saat dan tanpa konsekuensi apapun.

Persiapan Pewawancara:

Sebelum wawancara dimulai, pastikan tempat wawancara cukup aman dan tenang. Ciptakan suasana kekeluargaan dengan responden/kelompok responden. Isi kuesioner terlebih dahulu pada bagian-bagian yang menjadi tugas pewawancara untuk mengisinya:
Nama pewawancara: ____________________________________________________________
(sebutkan nama seluruh anggota Team Peneliti yang melakukan wawancara)

Nomor identitas kelompok tani/perusahaan: _________________________________________

Nomor identitas kelompok tani/perusahaan terdiri dari 2 huruf pertama yang menggambarkan
inisial provinsi, 2 huruf kedua menunjukkan nomor kelompok tani/perusahaan dan 5 huruf ketiga
menunjukkan tanggal saat melakukan wawancara yang terdiri dari dua digit tanggal dan 3 digit
huruf pertama nama bulan.
Contoh: LP0109Agu artinya LP= Lampung; 01= Nomor kelompok tani/perusahaan; 09Agu=
tanggal 9 Agustus.
Inisial huruf untuk lokasi lainnya adalah: Pati = PT; Bulukumba = BK

Identitas nara sumber

Nama-nama nara sumber (isi Tabel berikut):

<table>
<thead>
<tr>
<th>No.</th>
<th>Nama</th>
<th>Gender</th>
<th>Umur (thn)</th>
<th>Pekerjaan</th>
<th>Status dalam kelompok/usaha</th>
<th>No. HP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>3</td>
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<td>4</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Informasi umum mengenai kelompok

1. Nama Kelompok/perusahaan: ___________________________________________________________
2. Badan Hukum (jika ada): No. ___________________________________________________________
3. Alamat kelompok/perusahaan:
   a. Desa: ____________________________
   b. Kecamatan: ____________________________
   c. Kabupaten: ____________________________
4. Jenis usaha: ___________________________________________________________
   (diisi dengan informasi mengenai kegiatan kelompok, bisa meliputi kelompok tani, kelompok
   usaha, produksi kayu, koperasi, dll)
5. Jumlah anggota kelompok: ____________________________ orang/KK
   Jumlah anggota aktif: ____________________________ orang/KK
   (gali lebih dalam mengenai keaktifan anggota, ada berapa anggota aktif dan anggota pasif)
6. Jelaskan sejarah pembentukan kelompok

<table>
<thead>
<tr>
<th>No</th>
<th>Tahun/tanggal</th>
<th>Kejadian penting (jelaskan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>dst</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Gali informasi secara detail mengenai:
- motivasi pembentukan kelompok
- siapa yang menginisiasi
- siapa yang membantu dari aktor luar
- tujuan dibentuknya kelompok
- Aturan-aturan yang berlaku di dalam kelompok
- hak dan kewajiban anggota (jika memungkinkan minta fotocopi AD/ART Kelompok)

Informasi tentang sertifikasi kayu

7. Jenis sertifikasi yang dimiliki: ________________________________
8. Kapan diperoleh: ________________________________
9. Siapa yang menerbitkan/mengaudit/mengeluarkan? ________________________________
   (sebutkan lembaga sertifikasi/auditornya)
10. Masa Berlaku settifikasi: ________________________________
    (Jika memungkinkan agar difoto dokumen sertifikasinya)
11. Siapa yang menginisiasi sertifikasi kayu? ________________________________
12. Apa motivasi yang mendorong kelompok untuk mendapatkan sertifikasi? ______________
13. Sebutkan tahapan kegiatan yang telah dilalui dalam rangka mendapatkan sertifikat.
   Isi di dalam Tabel berikut:

<table>
<thead>
<tr>
<th>No</th>
<th>Tahapan kegiatan</th>
<th>waktu yang dibutuhkan (hari/minggu/bulan)</th>
<th>Biaya yang diperlukan (estimasi)</th>
<th>Sumber Biaya</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. Apa kesulitan yang dialami saat proses pengajuan sertifikasi? ________________________________
   (Bisa meliputi kesulitan dalam hal informasi/pemahaman, pengetahuan, pembiayaan, pemenuhan persyaratan, dll)
15. Manfaat apa saja yang telah dirasakan dari mendapatkan sertifikasi?
   Isi Tabel di bawah ini.
<table>
<thead>
<tr>
<th>Kriteria</th>
<th>Indicator</th>
<th>Pertanyaan</th>
<th>Jawaban</th>
<th>Pertanyaan pendalaman</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>tetap</td>
<td>berapa harga kayu yang berlaku sekarang? (sebutkan spesifikasi dan kualitasnya setepi kayu bulat, gergajian, kelas kualitas A, dsb)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>turun</td>
<td>berapa harga kayu sebelum sertifikasi berapa harga kayu setelah sertifikasi (sebutkan spesifikasi dan kualitasnya setepi kayu bulat, gergajian, kelas kualitas A, dsb)</td>
</tr>
<tr>
<td></td>
<td>akses pasar</td>
<td>17. Bagaimana tingkat kemudahan menjual hasil panen kayu rakyat setelah mendapatkan sertifikat kayu?</td>
<td>lebih mudah menjual</td>
<td>Jelaskan alasan mengapa lebih mudah. Gali informasi secara mendalam perubahan jumlah pembeli, dan akses pasar</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>tetap</td>
<td>mengapa tetap. Jelaskan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>lebih suil</td>
<td>jelaskan alasan mengapa lebih sulit. Gali secara mendalam perubahan jumlah pembeli atau akses pasar</td>
</tr>
<tr>
<td>Produksi kayu</td>
<td></td>
<td>18. Apakah terjadi perubahan volume produksi kayu dari hutan rakyat setelah mendapatkan sertifikat</td>
<td>meningkat tetap</td>
<td>Jelaskan berapa produksi kayu sekarang? Mengapa terjadi peningkatan atau penurunan produksi kayu, atau kenapa tidak terjadi perubahan produksi kayu?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>tetap</td>
<td></td>
</tr>
<tr>
<td></td>
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<td>turun</td>
<td></td>
</tr>
<tr>
<td>Biaya produksi kayu</td>
<td></td>
<td>19. Apakah terjadi perubahan biaya produksi kayu (mulai dari tanam sampai kuy siap dipanen) setelah proses sertifikasi</td>
<td>meningkat tetap</td>
<td>Jelaskan berapa biaya produksi sekarang (rinci lebih detail komposisi biaya untuk setiap item kegiatan). Mengapa terjadi peningkatan biaya produksi, atau penurunan, atau mengapa tetap? lebih dulu identifikasi item-item kegiatan yang perlu dilakukan untuk memenuhi syarat sertifikasi, lengkapi dengan data biaya masing-masing kegiatan tersebut (termasuk volume HOK, satuan biaya per HOK)</td>
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<td></td>
<td></td>
<td></td>
<td>tetap</td>
<td></td>
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<td>menurun</td>
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</tr>
<tr>
<td>Sosial</td>
<td>kohesi sosial</td>
<td>20. Apakah ada manfaat sertifikasi terhadap soliditas kelompok?</td>
<td>Ada</td>
<td>Jelaskan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tidak ada</td>
<td>Jelaskan</td>
</tr>
<tr>
<td>Network</td>
<td>21. Apakah ada manfaat sertifikasi terhadap pengembangan jejaring (hubungan kerja dengan aktor dari luar)</td>
<td>Ada</td>
<td>Jelaskan</td>
<td></td>
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<tr>
<td>Peningkatan pengetahuan</td>
<td>22. Apakah ada peningkatan pengetahuan anggota kelompok tani hutan rakyat setelah mendapatkan sertifikasi (pengetahuan dimaksud terkait dengan pengelolaan kayu rakyat atau pengetahuan lainnya)</td>
<td>Ada</td>
<td>Jelaskan</td>
<td></td>
</tr>
<tr>
<td>Lingkungan</td>
<td>23. Apakah ada penambahan areal tanaman kayu rakyat setelah mendapatkan sertifikat kayu</td>
<td>ada</td>
<td>jelaskan apa yang memotivasi terjadinya penambahan luas areal tanaman kayu rakyat?</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>24. Apakah terjadi perubahan praktek pengelolaan tanaman kayu rakyat (penjarangan, pemangkasan, pemakaian bibit unggul?)</td>
<td>Ada perubahan</td>
<td>Jelaskan bagaimana praktek pengelolaan tanaman yang berlaku sekarang. Apa saja yang berubah setelah memperoleh sertifikasi dan mengapa hal tersebut terjadi?</td>
<td></td>
</tr>
<tr>
<td>Management/aksi kolektif untuk kegiatan di luar produksi kayu</td>
<td>25. Apakah ada manfaat proses sertifikasi kayu terhadap aksi kolektif masyarakat di luar produksi kayu</td>
<td>Ada</td>
<td>Jelaskan dampak apa saja yang ditimbulkan dari kegiatan sertifikasi, selain pada aspek pengusahaan produksi dan pemasaran kayu.</td>
<td></td>
</tr>
<tr>
<td>Kualitas Kayu</td>
<td>26. Apakah terjadi perubahan kualitas kayu yang dihasilkan dari areal hutan rakyat (misalnya kelas diameter log yang dijual berubah?)</td>
<td>ada perubahan</td>
<td>Jelaskan bagaimana perubahan tersebut terjadi? Apa yang memotivasi perubahan tersebut</td>
<td></td>
</tr>
<tr>
<td></td>
<td>tidak ada</td>
<td>perubahan</td>
<td>Jelaskan, mengapa?</td>
<td></td>
</tr>
</tbody>
</table>
### Faktor keberhasilan dan kegagalan sertifikasi kayu

27. Faktor-faktor apa yang mendukung keberhasilan sertifikasi kayu?

<table>
<thead>
<tr>
<th>No</th>
<th>Faktor</th>
<th>Penjelasan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Biaya</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Pasar</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Peraturan</td>
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<tr>
<td>4</td>
<td>Fasilitasi pemerintah</td>
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<td>dll</td>
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</tbody>
</table>

28. Faktor-faktor apa yang menjadi penghambat keberhasilan sertifikasi kayu?

<table>
<thead>
<tr>
<th>No</th>
<th>Faktor</th>
<th>Penjelasan</th>
</tr>
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<tbody>
<tr>
<td>1</td>
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<tr>
<td>2</td>
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</tr>
<tr>
<td>3</td>
<td>Peraturan</td>
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</tr>
<tr>
<td>4</td>
<td>Fasilitasi pemerintah</td>
<td></td>
</tr>
<tr>
<td></td>
<td>dll</td>
<td></td>
</tr>
</tbody>
</table>

29. Apa yang perlu disempurnakan/diperbaiki agar sertifikasi ini lebih menguntungkan kelompok tani?

30. Catat hal-hal penting yang perlu dilaporkan selama proses wawancara berlangsung.

Informasi tentang rantai pemasaran

31. Jenis produk kayu yang dihasilkan (kayu bulat, persegian, kayu gergajian)?

32. Volume penjualan (m³ per bulan/tahun/jelaskan)?

33. Kemana saja penjualan kayu dilakukan (nama perusahaan, lokasi, jarak)?

34. Harga jual (Rp/unit, jelaskan berdasarkan kelas kualitas)?

35. Bagaimana mekanisme penjualan yang dilakukan (berdasarkan kontrak, kesepakatan informal)?