



Press Release

Deforestation and Social Conflict Keep Happening, Indonesian Government has to Strengthen Sustainability System of Forest Management

Jakarta, February 28th 2018. FWI presented in three periods North Sumatera, East Kalimantan, and North Maluku had lost 718.000 hectare of their natural forest. Every hours, natural forest as big as 42 times of soccer field had gone on those three provinces. JPIK assessment to 296 Sustainable Production Forest Management (PHPL) IUIPHHK-HA (Logging Concession) and HT (Timber Concession) certificates found that 197 of permit holders had bad scored on production aspects. These findings generated a big question toward the sustainability of forest management practice and will impact to the slow problem solving of forest management nowadays, especially in social and ecological aspects.

Today, FWI and JPIK launched books entitled "Unstoppable Deforestation" and 'SVLK: Proses Menuju Tata Kelola Bertanggung Gugat'. For the last three years, FWI had done assessment in North Sumatera, East Kalimantan, and North Maluku to see the trend and direct causes of deforestation. Deforestation rate in three provinces on 2013-2016 increased compared to the previous monitoring on 2009-2013 which was from 146.00 hectare/year to almost 240.000 hectare/years. In North Maluku, the deforestation rate was doubled from 25.000 hectare/year to 52.000 hectare/year, as well as in East Kalimantan which increased from 84.000 hectare/year to 157.000 hectare/year. While in North Sumatera, the deforestation rate declined from 37.000 hectare/year to 29.000 hectare/year.

Agung Ady, FWI campaigner revealed that the deforestation occurred now has spread to areas with good natural forest, especially to the eastern part of Indonesia. "This is a warning to all of us that the existence of natural forest that is left in eastern Indonesia is threatened, remembering the significant rate increase and investation permits which keep moving toward areas with thick natural forest", Agung said. Almost 50% or 11,2 million hectare of land in North Sumatera, East Kalimantan, and North Maluku were controlled by permit holders corporates (Logging, timber, palm oil, and mining), Only 4% or 812.000 hectare of land were allocated for people in many forms of social forestry (Community Forestry, People's Plantation Forest, Partnership Forestry, Forest Village, and customary Forest). "Beside as direct cause of deforestation, inequality of land tenure in the three provinces also impacted on social conflict happened between the company and the people." Agung continued.

Delima Silalahi, Coordinator of Advocacy and Studies Division KSPPM added, "Forest logging which also include incense plantation belongs to the people is still happening at concession area of PT. Toba Pulp Lestari (TPL) at Pollung Sub-District, Humbang Hasundutan District. All this time, concession area of TPL overlapped with customary territories of the indigenous people. Despite being rejected by the indigenous people in the area, the company still tried to enter their customary land".

Similar matter also stated by Fathur Roziqin, Executive Director of Walhi in East Kalimantan, "Tenurial conflicts between Lebak Cilong villagers and PT. ITCI Hutani Manunggal (IHM) happened after IHM claimed their right to manage the land which had been managed by the people after getting concession permit from Ministry of Environment and Forestry, whereas the land had been managed by the people from generation to generation".

Deforestation issue, which never solved, brought up initiation to forest management certificates or known as Timber Legality Verification System (SVLK/V-Legal). This system was expected to reduce



the deforestation rate in Indonesia, but in practice SVLK still needed improvement in order to create good forestry governance.

During 2014-2017, JPIK found several weaknesses in SVLK practice, especially in supervision and law enforcement. Besides that, independent monitoring by the civil society has to keep being encouraged through the guarantee of sustainable monitoring and data and information availability. This is as written in in SVLK regulation and voluntary cooperative agreement with Indonesian government and European Union through FLEGT-VPA agreement.

Dhio Tegus Ferdyan, JPIK campaigner said that, "Development, achievement, and implementation of SVLK as one of the effort to reform forest governance deserves to be appreciated. Even though it is not perfect yet, but this document has forced some parties to make improvement".

JPIK monitoring resulted in 54 permits holder with SVLK certificates (PHPL and VLK) still found issues about boundary conlift, low basic rights recognition of the people, and week forest protection efforts to the holder of IUPHHK-HA and HT. Meanwhile, the holder of industrial license was still found issues regarding the legality and incompatibility permits, implementation of Work's Safety and Health (K3), and also unclear source of raw material for the industry.

"Audit by Certification Agency still makes the existence of the document as reference of the license holder in obtaining SVLK certificate. The process of issuing corrupt licenses, the entry of illegal timber into the supply chain, and an incomprehensive conflict resolution effort should be the main focus of the assessment", Dhio added.

M. Ichwan, JPIK East Java said, SVLK assessment should show an improved trend of performance changes. A moderate or poorly rated result should change to the better in either the period of examination or re-certification.

Improvement of transparency in the implementation of SVLK should also be improved, in which the whole process of SVLK implementation including provision of data and information for monitoring, report handling process, and its action must be open and accessible to the public. "Although it has been regulated on the rights and obligations of independent monitoring in SVLK regulations, the Independent Monitor is still subject to limitations in accessing data and information for monitoring purposes, especially data and information that are under the authority of the Regional Government" continued Ichwan.

The weakness of law enforcement and the imposition of sanctions for the infringer's permission holder which become the JPIK spotlight. Strict sanctions for the revocation of certificates for permit holders who perform poorly and reject the examination should be followed up with revocation of business license. On the other hand, efforts to improve timber administration to minimize the mixing of illegal timber into the supply chain of SVLK and inter-agency coordination at the central and regional levels should be strengthened.

As a system, SVLK should place social / conflict aspects, permit granting (licensing corruption), and forest fires as the main indicators of passing judgments. In addition, the synergicism of prevention and law enforcement with the prevailing laws and regulations must be continued so that SVLK truly becomes the embodiment of a credible and accountable instrument of governance improvement.

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Editor Notes:

In the period 2013-2016 the natural forests in North Sumatera, East Kalimantan and North Maluku, disappeared as wide as 718 thousand hectares. Of the total 718 thousand hectares of deforestation occurring in the three provinces, about 517 thousand hectares (72%) occurred in areas already



under management permit. Whether it is logging concession, timber concession, oil palm, and mining. The Logging concession area became the largest contributor to deforestation covering 83.800 hectares, followed by mining 83.300 hectares, 76.000 hectares of oil palm plantations and 37.000 hectares of timber plantation. Meanwhile, there are about 235.000 hectares of deforestation occurring in areas that overlap licensing.

The total land area of North Sumatera, East Kalimantan and North Maluku is 22.7 million hectares.

SVLK is a Timber Legality Verification System, a requirement to meet the legality of timber / products made under the agreement of forestry stakeholders containing standards, criteria, indicators, verifiers, verification methods, and assessment norms. SVLK is a timber legality assurance system recognized in VPAs between Indonesia and the European Union.

VPA is a bilateral agreement within the framework of Forest Law Enforcement Governance and Trade (FLEGT) between timber producing countries and the European Union, aimed at eradicating illegal timber trade. VPAs include negotiations on the Timber Legality Assurance System and FLEGT export licenses issued for verified legal timber products. Delivery of timber with FLEGT Export license will get "green line" to EU market and free from EU Timber Regulation law. The FLEGT-VPA between Indonesia and the EU was signed on 30 September 2013 and has been ratified by both parties in 2014.

The FLEGT license is the recognition of the SVLK scheme (full implementation of the VPA), so that the EU does not need to complete due diligence. The FLEGT license cannot commence until a joint assessment of the Indonesian and EU legality verification system confirms that the system is fully operational, as described in the VPA. The evaluation criteria are described in Annex VIII of the VPA. As of September 2016, Indonesia already has more than 20 FLEGT licensing issuing authority institutions.

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