



Press Release

Timber Distribution and Trade Traceability Must Be Strengthened to Ensure SVLK Credibility

Bogor, 27 August 2020. The latest independent monitoring report titled *Assessing Compliance of Forest Timber Product Utilization and Trade Permit Holders* exposes illegal logging in forest areas, as well as signs of recurring legal violations by Timber Legality Certificate (S-LK) holders, as well as uncertified companies.

From October 2019 to June 2020, the Independent Forest Monitoring Network (JPIK) assessed the implementation of the Timber Legality Assurance System (SVLK) through a series of analysis of the primary industry raw material supply chain and field monitoring in eight provinces. JPIK's monitoring found indications of violation in the upstream industry including the following.

- Illegal timber from Rimbang Baling Wildlife Sanctuary in Riau Province were transported and traded with ease to meet the raw material demand of primary industries with questionable permits in Simpang Kambing (Teratak Buluh) and Lubuk Siam in Kampar District.
- A similar finding was made in Lalan Mangsang Mendis Production Forest in Musi Banyuasin District, South Sumatra Province. Sawn timber measuring ± 4 meters were observed in Tujuh Sub village in Muara Medak Village. The timber is strongly suspected to have been logged illegally and then drifted through Medak and Merang Rivers. The timber was shipped to a number of industries in South Sumatra and Jambi Provinces.
- The company CV Marantika, operating under the guise of having Timber Utilization Permit (IPK) without S-LK certification, is strongly suspected to be harvesting logs from land clearing for PT Citra Sawit Hijau Subur in Kaur District, Bengkulu Province. CV Marantika is believed to be harvesting timber outside of their permit area, specifically an area of approximately 58 ha in Limited Production Forest in Air Kedurang. In 2019, the company failed to pay its Forest Resource Provision (PSDH) and Reforestation Funds (DR) to the State, though in that same year felled logs were observed to be transported out.

Meanwhile downstream, S-LK-certified forest product exporters were observed taking timber sourced from non-certified companies and therefore timber of questionable legality. Such is the practice of CV Indo Pratama Express and CV Manggalih in East Java Province. In addition, the practice of industrial permit holders omitting timber species names in forest product legality documents enable the dirty practice of utilizing CITES Appendix II timber without special distribution permits and documents.

Poorly managed production and waste treatment were still observed. These are linked to ecological sustainability and the lives of communities and workers around the industries. Furthermore, occupation health and safety (OHS) standards were not comprehensively implemented as stipulated in assessment/verification standards.

Deden Pramudiana, a researcher from JPIK stated, "illegal logging is still happening in a number of these areas, especially in Rimbang Baling although there is the Covid-19 pandemic. Illegal timber transportation has not stopped although the Riau Province Police has carried out operations and detained a truck loaded with natural timber illegal logged from Rimbang Baling Wildlife Reserve in May 2020. In addition, CV's Marantika negligence to pay PSH and DR can potentially lead to state losses in Non-Tax State Revenue (PNBP) as well as suggestions of natural resources corruption in the form of issuance of Permit for Timber Forest Product Retribution."

JPIK's campaigner, Muhammad Ichwan, emphasized, "Monitoring and law enforcement must be enhanced and strengthened to minimize state losses from the degradation of ecosystem carrying capacity, forest resources, as well as protected species habitats. Regulation strengthening and enforcement, and enhancing the integrity of all stakeholders relevant to SVLK implementation must be increased to ensure and maintain national and international public trust. Functions of certification services, especially in providing data and information for independent monitors, must be easily, quickly, and timely accessible to ensure effective monitoring."

Editor's Notes:

- JPIK carried out monitoring in eight provinces (Aceh, Riau, Bengkulu, South Sumatra, Banten, East Java, North Kalimantan, and West Kalimantan). The report can be accessed and downloaded from www.jpik.or.id.
- JPIK is an Independent Forest Monitoring Network approved and declared on 23 September 2010, with members comprising 64 NGOs and NGO networks from Aceh to Papua. JPIK's establishment is the realization of a commitment to actively contribute to improving better forestry governance by ensuring SVLK implementation credibility and accountability.
- SVLK is a Timber Legality Assurance System, which is a prerequisite to fulfilling timber/product legality based on a stakeholders approved agreement that includes standards, criteria, indicators, verifiers, verification methods, and assessment norms. SVLK is a timber legality assurance system recognized in a VPA between Indonesia and the European Union.

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