



Collecting evidence of FLEGT-VPA impacts

*Tatiana Goetghebuer, Johanna Breyne, Ahmad Dermawan, Nastassia Leszczynska,
Bruna Almeida, Jean Newbery, Luisa van der Ploeg, and Paolo Omar Cerutti*



Indonesia country report



Collecting evidence of FLEGT-VPA impacts

Tatiana Goetghebuer

Aide à la Décision Economique (ADE)

Johanna Breyne

Aide à la Décision Economique (ADE)

Ahmad Dermawan

Center for International Forestry Research (CIFOR)

Nastassia Leszczynska

Aide à la Décision Economique (ADE)

Bruna Almeida

Aide à la Décision Economique (ADE)

Jean Newbery

Center for International Forestry Research (CIFOR)

Luisa van der Ploeg

Aide à la Décision Economique (ADE)

Paolo Omar Cerutti

Center for International Forestry Research (CIFOR)

© 2022 Center for International Forestry Research



Content in this publication is licensed under a Creative Commons Attribution 4.0 International (CC BY 4.0), <http://creativecommons.org/licenses/by/4.0/>

Goetghebuer T, Breyne J, Dermawan A, Leszczynska N, Almeida B, Newbery J, van der Ploeg L, and Cerutti PO. 2022. *Collecting evidence of FLEGT-VPA impacts: Indonesia country report*. Bogor, Indonesia: CIFOR.

Photo Credit: Tatiana Goetghebuer/ADE

Caption: 'Desa Dudakawu (Dudakawu Village), Kecamatan Kembang (Kembang Subdistrict), Kabupaten Jepara (Jepara District)

CIFOR
Jl. CIFOR, Situ Gede
Bogor Barat 16115
Indonesia

T +62 (251) 8622-622
F +62 (251) 8622-100
E cifor@cgiar.org

cifor.org

We would like to thank all funding partners who supported this research through their contributions to the CGIAR Fund. For a full list of the 'CGIAR Fund' funding partners please see: <http://www.cgiar.org/our-funders/>

Any views expressed in this publication are those of the authors. They do not necessarily represent the views of CIFOR, the editors, the authors' institutions, the financial sponsors or the reviewers.

Table of contents

Abbreviations	v
1 Introduction	1
2 Methodology	2
2.1 Prioritizing themes	2
2.2 Desk review	2
2.3 Interviewing key stakeholders	3
2.4 Field mission specifications	4
3 Results	7
3.1 Breakdown of respondents	7
3.2 The environment	9
3.3 The economy	20
3.4 Governance	28
3.5 Final answers and additional comments from survey respondents	34
Annexes	35
I Bibliography	35
II Field mission agenda	37

List of figures and tables

Figures

1	Percentage of respondents per sector (N=102)	7
2	Respondents' knowledge of the sectors (N=102)	7
3	Respondents' work experience in the sector (N=102)	8
4	Gender of respondents in the survey (N=102)	8
5	Respondents' involvement in FLEGT-VPA related activities	8
6	Reasons respondents believe Indonesia engaged in the VPA process (N=102)	9
7	Evolution of illegal timber logging in production forests since VPA ratification (N=95)	10
8	Evolution of illegal logging in conservation and protection forests since VPA ratification (N=102)	10
10	How much respondents felt the VPA contributed to the decrease in illegal logging in production forests (N=98)	12
11	How much respondents felt the VPA contributed to the decrease in illegal logging in conservation/protection forests (N=92)	12
12	How much respondents felt the VPA contributed to the decrease in illegal logging outside of state forests (N=85)	12
13	How much respondents felt the VPA contributed to the increase in timber (volume) being exploited with a legal permit (N=85)	12
14	How much respondents felt the VPA contributed to a reduction of illegal timber on the domestic market (N=86)	13
15	Domestic demand for legal wood (N=102)	13
16	Statement on whether government has made legal wood more attractive to the domestic market since the start of the VPA process (N=102)	13
17	How much respondents felt the VPA contributed to a reduction of illegal timber on the export market (N=92)	14
18	Spider diagram showing improvements in legal wood production and market share	14
19	How much respondents felt the VPA contributed to providing CS with a greater role in controlling legality and identifying irregularities (N=92)	15
20	How much respondents felt the VPA contributed to a reduction in deforestation in Indonesia (N=93)	15
21	How much respondents felt the VPA contributed to better integration of multiple forest functions (N=92)	15
22	Recognized forest ecosystem services (N=102)	16
23	How much respondents felt the VPA contributed to improved implementation of forest management plans in Indonesia (N=93)	16
24	How much respondents felt the VPA contributed to more consultation of LC & IP in decision making in the timber sector (N=89)	17
25	How much respondents felt the VPA contributed to more consideration of LC & IPs' opinions in decision making in the timber sector (N=87)	17
26	How much respondents felt the VPA contributed to more consideration of LC & IP Peoples' rights (N=92)	17
27	How much respondents felt the VPA contributed to more recognition of LC & IPs' property rights (N=92)	17

28	How much respondents felt the VPA contributed to improving LC & IPs' well-being, and the living conditions of smallholders and tree planters (N=91)	18
29	Statement on whether timber sector tax revenues have contributed to increased LC & IPs' well-being, since the start of the VPA process (N=102)	18
30	How much respondents felt the VPA contributed to more consideration of the status of women, youth and marginalized groups in questions related to forest management and logging (N=87)	19
31	Statement on whether the process of obtaining a legal certification (FLEGT) introduced new formal and informal taxes, since the start of the VPA process (N=102)	19
32	How much respondents felt the VPA contributed to an increase in the number of hectares under exploitation via a private certification system (N=80)	20
33	Evolution of the number of SMEs since VPA ratification (N=102)	21
34	Evolution of the number of smallholders since VPA ratification (N=102)	21
35	How much respondents felt the VPA contributed to squeezing some SMEs out of business (N=83)	21
36	How much respondents felt the VPA contributed to squeezing some smallholders out of business (N=85)	21
37	How much respondents felt the VPA contributed to less disruption in the timber sector (N=97)	22
38	Statement on whether the private sector is better organized, since the start of the VPA process (N=102)	22
39	How much respondents felt the VPA contributed to better recognition of SME associations in the forestry sector in Indonesia (N=93)	22
40	How much respondents felt the VPA contributed to better consideration of SME opinions in forestry sector-related decision making (N=91)	22
41	How much respondents felt the VPA contributed to better consideration of smallholders' opinions in forestry sector-related decision making (N=88)	22
42	How much respondents felt the VPA contributed to making information more available for SMEs to help them to conduct their activities legally (N=95)	23
43	How much respondents felt the VPA contributed to making information more available for smallholders to help them to conduct their activities legally (N=94)	23
44	Statement on whether the relevance of information received by SMEs and smallholders to support them to comply with legality requirements (N=102)	23
45	How much respondents felt the VPA contributed to improving the technical capacity of SMEs to conduct their activities legally (N=94)	23
46	How much respondents felt the VPA contributed to improving the technical capacity of smallholders to conduct their activities legally (N=92)	23
47	Statement on whether the processing of legal timber is technically and financially too constraining for SMEs (top) and smallholders (bottom) (N=102)	24
48	How much respondents felt the VPA contributed to improving SMEs access to the export market (N=83)	24
49	Primary market for SMEs (N=102)	25
50	Secondary market for SMEs (N=102)	25
51	How much respondents felt the VPA contributed to more efficient tax collection by the state in the forestry sector (N=76)	25
52	How much respondents felt the VPA contributed to reducing the 'informal tax' costs faced by SMEs (N=71)	25
53	How much respondents felt the VPA contributed to changing the forestry labour market (N=76)	26
54	Evolution of job opportunities in the forestry sector (N = 102)	26
55	Reasons behind the increase in job opportunities in the forestry sector (N=102)	26
56	Evolution of job opportunities for LC & IPs in the forestry sector (N=102)	26
57	Evolution of job opportunities for women, young people and marginalized groups (N=102)	26

58	How much respondents felt the VPA contributed to improving working conditions in the forestry sector (N=91)	27
59	Statements on whether the curricula of training institutions better integrates subjects related to legality and sustainable forest management (SFM), and on better expertise of workers in the forestry sector, since the start of the VPA process (N=102)	27
60	Statement on whether civil society is better organized, since the start of the VPA process (N=102)	29
61	How much respondents felt the VPA contributed to improving civil society's autonomy in its role as an independent observer (N = 86)	29
62	How much respondents felt the VPA contributed to more effective independent observation (carried out by civil society) in the forestry sector (N= 89)	29
63	Statement on whether the work of independent observation contributes to reducing forestry sector corruption, since the start of the VPA process (N=102)	29
64	How much respondents felt the VPA contributed to increased consideration of civil society views in forestry sector-related decision making (N=88)	29
65	Extent to which the opinions of CS, LC & IP, SMEs and smallholders have been considered in the forest sector's decision making over time (N=93)	30
66	How much respondents felt the VPA contributed to making the government more accountable for its actions (N=93)	30
67	How much respondents felt the VPA contributed to improving transparency in the forestry sector (N=94)	30
68	How much respondents felt the VPA contributed to greater coherence in the forestry sector's legal and regulatory framework (N=91)	31
69	FERN governance index results reflecting diverse aspects of forestry governance in Indonesia (N=90)	31
70	Causes of non-compliance with laws and regulations (N=102)	32
71	Statement on whether the level of corruption in forestry sector has decreased since the start of the VPA process (N=102)	32
72	Statement on whether the bureaucracy related to the VPA process has created new opportunities for corruption, since the start of the VPA process (N=102)	33
73	How much respondents felt the VPA contributed to improving political will to fight corruption (N=87)	33
74	Statement on whether there is political will to fight corruption in the forestry sector (N=102)	33
75	How much respondents felt the VPA contributed to better enforcement of sanctions outlined in the law (N=87)	33
76	How much respondents felt the VPA contributed to helping make sanctions more credible in the forestry sector (N=88)	33

Table

1	Forest area, population and industrial logging concessions	6
---	--	---

Abbreviations

ADE	: Analysis for Economic Decisions (Consulting and Advisory Services)
CAP-IG	: Computer-Assisted Personal Interviewing in a Group
CIFOR	: Center for International Forestry Research
CS	: Civil society
CSO	: Civil society organizations
DKP (or SDoC)	: <i>Deklarasi Kesesuaian Pemasok</i> (Supplier's Declaration of Conformity)
EFI	: European Forest Institute
EU	: European Union
FAO	: Food and Agriculture Organization of the United Nations
FGD	: Focus group discussion
FLEGT	: Forest Law Enforcement Governance and Trade
FLEGT-AP	: Forest Law Enforcement Governance and Trade Action Plan
FSC	: Forest Stewardship Council
JPIK	: <i>Jaringan Pemantau Independen Kehutanan</i> (Independent Forest Monitoring Network)
LC & IP	: Local communities and Indigenous Peoples
NGO	: Non-governmental organization
PHPL	: <i>Pengelolaan Hutan Produksi Lestari</i> (Sustainable Production Forest Management)
SFM	: Sustainable forest management
SME	: Small and medium enterprises
SVLK	: <i>Standard Verifikasi Legalitas Kayu</i> (Timber Legality Verification System)
TLAS	: Timber Legality Assurance System
VPA	: Voluntary Partnership Agreement

1 Introduction

This initiative, financed by the FAO EU-FLEGT programme, aimed to gather qualitative and quantitative evidence of the impacts of the Forest Law Enforcement Governance and Trade – Voluntary Partnership Agreement (FLEGT-VPA) process to date, across a sample of three countries – Cameroon, Indonesia and Ghana. Results are intended to serve the communication needs of the European Commission (including Member States and the European Parliament), the EFI FLEGT Facility, FAO-FLEGT, and Voluntary Partnership Agreement (VPA) countries, as well as international organizations and academia working on FLEGT.

By covering three countries in different stages of VPA implementation, this study will present findings and lessons at both a country and global level, outlining where possible the bigger picture of impacts of the VPA process. This is important as a VPA, while being a legally binding trade agreement, is contingent on thorough and lengthy reform processes in the country's forestry sector. Including three countries at different stages of implementation¹ while using the same tool (see Methodology) supports comparative analysis and insights into what stage of implementation a VPA shows the most impact. It could also be used as a baseline scenario should future assessment be repeated on the same countries.

Although impacts have already partly been analysed and documented through research studies and preliminary national impact monitoring systems, these are often scattered among various specific thematic and geographic areas. This study seeks to gather, assess and demonstrate, where possible, the impacts of FLEGT-VPAs in a comprehensive way, through engaging key experts and stakeholders involved in the VPA process, using a similar approach in all countries.

The Center for International Forestry Research (CIFOR) and Analysis for Economic Decisions (ADE) research teams were in Indonesia between 20 April and 1 May 2019 to collect data.

This report will first briefly outline the methodology used,² before outlining the sample of respondents and presenting results under three broad headings: Environment, Economy and Governance. Results are further categorized and presented according to grouped indicators.

1 At the time of research, Indonesia had received its FLEGT license, Ghana was close to receiving its license, while Cameroon was yet to implement the Timber Legality Assurance System (TLAS) system.

2 A thorough Methodology note was submitted to the FAO (and may be available upon demand).

2 Methodology

Key takeaways

- Multi-faceted stakeholder engagement was planned so as to arrive at the themes and sub-themes covered.
- A thorough desk review was undertaken for each country to identify prevailing hypotheses.
- Questions were formed around capturing VPAs' contribution to any perceived changes.
- A mixed methodology data collection tool was deployed, using quantitative and qualitative components.
- Positive respondent feedback was received on the tool and format of interviews.

In order to measure the impact brought about by a Voluntary Partnership Agreement (VPA), a mixed qualitative and quantitative methodology was developed. This was rolled out across each of the three countries, with slight contextual modifications made for each. The methodology was also designed to be replicable over time, and applicable to other VPA countries should it be required.

The final data collection tool was developed and then deployed in Indonesia through **three main stages**: prioritizing themes, reviewing the existing literature, and interviewing key stakeholders. These stages are briefly described below.

2.1 Prioritizing themes

The **first** was identifying the four most relevant themes to cover during the study, which would also form the main sections of the questionnaire. The number of four themes was decided upon as this would allow greater depth of research rather than covering more themes to a lesser extent. To identify these, two rounds of consultation took place:

I. Funder priorities

FAO/EFI identified three of the four key thematic areas to be covered by the study from a pre-provided list, based on internal interest areas.

II. Stakeholder priorities

The final thematic area, and then sub-themes within these four main themes, was selected by pre-identified key domestic experts from each of the three countries covered by this study as well as key international experts (EU-FLEGT FAO/EFI), via an online survey. Participants to be included in the study were selected based on answers which got the highest frequency. Desk review and development of indicators were guided by selected themes and sub-themes. The final four selected thematic areas were:

- Sustainable forest management and forest conditions (environment)
- Relation and development of the formal and informal forest sectors (economic)
- Jobs and employment (economic)
- Law enforcement and compliance (governance).

While concentrating on these four selected themes, it should be noted that thanks to the many sub-themes, the study covers most (but not all) expected and non-expected impact dimensions of FLEGT-VPA. This was confirmed by many respondents mentioning that the survey tackled the most important issues and themes.

2.2 Desk review

The **second** stage was a thorough desk review per country. Stakeholders were consulted to ensure that the most relevant literature was identified and processed (in particular, literature focusing on VPA implementation impacts that related to the four themes). This allowed us to identify prevailing hypotheses which guided both questions to build indicators, and the data analysis, as results could be substantiated against desk findings. The desk review

also ensured that the questionnaire could be tailored against differing country contexts and that questions were in line with the sorts of impacts the VPA would be expected to bring about. This ultimately helped us to compare VPA expectations, identified during the desk review, against actual VPA progress and possible unintended effects.

The review included the following categories of documents:

- VPA annexes and documentation
- EU FLEGT Facility and FAO EU FLEGT reports (publicly accessible)
- Logging-off VPA updates (FERN)
- Selected academic papers based on specific literature recommendations from academic experts and CIFOR/EU country offices for each VPA country
- Impact monitoring documentation (indicator value and narratives) when made available to us in due time
- Evaluation of the EU FLEGT Action Plan and annexes (TERREA 2016)

A full list can be found in Annex I.

2.3 Interviewing key stakeholders

The **third** stage was rolling out a questionnaire that: (i) had received multi-faceted stakeholder input, (ii) could be structured around VPA impacts, and (iii) could be tailored to the context of each of the three countries, without losing the ability to support cross-cutting analysis. A pre-selected sample of participants from public administration, private, formal and informal sectors, civil society (CS) and local forest communities were invited to complete the questionnaire.

All respondents were asked to sign a consent form before beginning the interview. In line with CIFOR's ethical review applied to all projects, the agreement reminded respondents about the anonymous and confidential treatment of the information provided in the survey. Respondents were also reminded that they could stop answering at any time during the survey if there were uncomfortable answering the questions. Lastly, by signing the consent form, respondents agreed to their responses being used in this assessment.

In total, the questionnaire took between two and three hours, depending on the level of discussion and the number of participants, and was split into three approaches:

I. Common introductory presentation

A brief (15-minute) introductory PowerPoint presentation was shown to all participants, covering the aim and scope of the assessment, the types of questions and answers that participants would find displayed on the tablets, and practical examples to illustrate the concept of 'impact' and to agree on the meaning to be given to the various possible answers, e.g., from 'very positive' to 'very negative'.

This was a very important step because various participants both within and across groups can have a different understanding of a 'very positive' or 'very negative' impact. Agreeing on the scale and the meaning of steps along the scale (e.g., 'weak', 'very weak', 'strong', 'very strong') provides the interviewing team and respondent groups with a common language to be adopted while completing the questionnaire.

This common language also allows for more meaningful cross-country comparisons, as a 'very weak' impact in the case of Indonesia is very likely to resemble a 'very weak' impact in the case of other countries.

II. Individual surveys

The answers input directly into the tablet were designed to be individually completed using a Computer-Assisted Personal Interviewing in a Group (CAPI-G³) approach. These individual sections were constructed using close-ended, multiple choice⁴ or Likert scale questions (0–5, 0–3, 0–100%) to capture respondents' personal opinions, hence allowing **quantitative analysis**.

Questions were mostly designed to understand change trajectories, capturing the respondents' opinion on the current situation within the different themes and sub-themes, their perception of the situation prior to VPA ratification (recall), and then their opinion on the feasible contribution of the VPA to any perceived change. Other questions were statement assessments, which either asked a respondent to select their agreement level on a statement using a scale of 1–5 or to select which statement they most agreed with.

3 The data collection approach was designed by ADE and was proven in previous studies to be efficient and reliable.

4 Answers, when relevant, appeared in a random order in each questionnaire to ensure that responses were not biased toward the first and/or last choice.

III. Focus group discussions (FGD)

The individual questionnaire was broken up by pauses at the end of each theme, during which participants could share their opinions on the previous section in more detail, providing **qualitative measures of change** and specific examples. This anecdotal evidence allowed us to better explain the findings contained in this report, and questions were tailored according to the group's subject matter expertise. The fact that participants belonged to similar professional categories ensured that they felt free to talk and share their experiences.

This approach was tested in Cameroon and proved effective, hence reproduced in Indonesia and Ghana. Data collection was bolstered by having two types of input: numerical, directly into the tablet – the results of which could be accessed daily – and qualitative, with examples (detailed and anonymous notes taken during these sessions). Analysis could therefore draw on two information sources, as well as being able to direct results back to existing literature to better understand continuity and/or divergence.

Feedback on the interview experience was also regularly sought from participants. Respondents verbally indicated that they enjoyed the two-pronged approach, as allowed them to think about VPA evolution from numerous angles before engaging in often lively discussion with peers. They also commented that questions were easier to complete due to icons associated with the different answers. Quantitative answers also had a high response rate (as opposed to many “don't know” answers), validating the expert pool of respondents and the relevance of the questions.

Sample size and selection

Through the connections, contextual knowledge and expertise of the CIFOR/ADE research teams, EU-FLEGT, FAO and EFI, longstanding stakeholders in the Indonesian forestry sector⁵ were identified and invited to participate to the survey. The objective was to reach a hundred relevant respondents in four categories: public administration; private sector (formal and informal small and medium enterprises, or SMEs); CSOs and local communities; and a category grouping ‘other’ participants, including consultants, researchers, industry and donor representatives. In each category, the research team made every effort

⁵ Demonstrated by the average number of years they had been involved in the sector and their involvement in the VPA process.

to reach out to and include representatives of diverse associations, NGOs, ministry departments, etc., to capture as much diversity as possible. The expert sample was large enough to compute statistics, and to capture a range of existing perspectives regarding the preselected themes and sub-themes.

When preidentified respondents were unavailable, we ensured they were replaced by someone with similar levels of expertise. We also offered the possibility of answering the questionnaire online and having a skype/call discussion to receive qualitative input.

Together, these information gathering steps bring confidence that the data in this report is both accurate and credible, and that should an external person conduct the same survey again, results would not vary significantly.

2.4 Field mission specifications

Key takeaways

- A total of 102 individual respondents completed the questionnaire, either face to face in Jakarta, Jepara or Bogor, or online.
- 17 group sessions were organized with different categories of respondents, providing an opportunity for further insight and anecdotal evidence to compliment survey responses.
- Making questionnaires available for online completion is a good option, especially in large and congested countries, but this requires more preparation and a well-organized invitation stage to present the survey, as well as follow-up calls and keeping track of respondents, without breaking the anonymity.
- Online completion is not an option for individuals living without internet access (or those with poor literacy); as such it is worth planning visits to decentralized regions.
- Even with the many ongoing studies related to VPA monitoring in the country, the approach taken here met with consensus from participants on its innovative character and relevance.

Survey respondents in Indonesia were selected based on their relevance to and experience with the forest sector in general, and the FLEGT VPA process, in particular. CIFOR in collaboration with EU-FLEGT FAO/EFI teams identified potential respondents from

different sectors, inviting them to participate in the study through an official invitation sent from the Indonesia EC delegation. The CIFOR in-country team then followed up by inviting respondents to pre-selected slots (based on their sector) at a specific time and date (by email and phone calls).

In total, 102 individuals completed the survey questionnaire: 30 were interviewed in Jakarta; 24 in Jepara (to get furniture sector representatives as well as decentralized public administration), including 3 smallholders who were also interviewed directly from their rurally located homes close to Jepara; 14 came to the CIFOR office in Bogor; and 34 filled in the questionnaire online. The online questionnaire option was positively received by the Indonesia survey respondents, as conflicting agendas prevented or discouraged respondents from coming to interview locations. Due to the anonymity condition, online completion does not allow respondents to be identified. However, respondents were asked to signal survey completion to enable us to complete the respondents list. Not all online respondents asked for a Skype/phone call after completion, as such these participants were unable to nuance and/or illustrate their answers and share further insights that might be useful for the study.

The field team consisted of two experts from ADE, including the study team leader, two from CIFOR (from the Bogor office) and one from FAO (helping with online invitation and translation). The first day was spent together as a group to test and refine the data collection tool, further contextualize questions, and check the translation into Bahasa Indonesia.

Lessons learnt in terms of approach

With the objective of getting at least 100 respondents within quite a short period of time, the approach revealed itself to be very efficient. That said, some key lessons can be derived for countries like Indonesia.

- More advanced warning might have increased respondents' presence, though the main challenges in Indonesia were travel (e.g., traffic jams) and distance (e.g., meeting experts living in the different islands). Online completion therefore proved to be a good option but requires more preparation to better organize invitations, survey presentation, follow-up calls, and tracking respondents while respecting the anonymity clause.
- Related to this, in expansive countries with such diversity both across and within islands, it was

wise to travel to Jepara to interview processor SMEs (a very important sector in Indonesia) and to meet with decentralized public administration representatives. However, we missed meeting many smallholders, local community and Indigenous representatives due to insufficient warning; planning such meetings in advance would generate more success. As detailed in the next section, the sampled respondents were still able to share their knowledge and experiences, but it is worth bearing in mind that for similar groups, the online survey is not an option due to literacy issues.

- As per the experience in Cameroon, if respondents arrived late to a session already underway, a member of the team ensured they made the introductory presentation directly to them.
- Although duplication of effort with other VPA monitoring or impact assessment exercises was highlighted as a potential issue by some respondents at the beginning of the session, once they completed the questionnaire, they found the approach was innovative, relevant and exhaustive.
- As Indonesia already had the FLEGT license, we added certification bodies in the sample of representatives, a category in between public and private sector.

Indonesia VPA and forest context in brief

The SVLK (*Sistem Verifikasi Legalitas Kayu*) – Indonesia's national Timber Legality Assurance System (TLAS) – was developed in 2003, long before the beginning of VPA negotiations in 2007 and independently of the FLEGT Action Plan (TEREA 2016). It has been in implementation since September 2010 (FERN May 2012). After the VPA was signed in 2013, a revised SVLK was progressively implemented. The system applies to all wood production in Indonesia, from large-scale forest concessionaires and timber processing industries, to smallholders and small-scale timber enterprises (Susilawati et al. 2019).

In 1990, 66% of Indonesia's land was covered by forests (World Bank 2019). Currently, the country has lost about 28 million hectares of its forests in recent decades (FLI 2016); World Bank (2019) reported that only 50% of the land is now covered by forests. This country is facing a significant challenge to meet the need for land. Corrective actions have been underway since 2014.

According to the Indonesian Ministry of Environment and Forestry, the area designated as state forests

Table 1. Forest area, population and industrial logging concessions

Country	Industrial concessions (natural forests)			Forested areas (forest cover) ('000 ha)		Total Population ('000)	
	Area (ha)	Number	Average area (ha)	State forest area	Area for other purpose (APL)	Pop. 2018	Pop. 2050
Indonesia	18,809,357	259	72,623	85,800	8,100	266,795	321,551

Source: MoEF (2018a, b)

spans over 120.6 million ha (MoEF 2018a). This Ministry also has a mandate to manage 5.3 million ha of marine conservation areas. State forest areas currently fall into three main types: production forests, conservation forests and protection forests (MoEF 2018a).

Production forests span 68 million hectares, with 56 million ha forest cover (which can be plantations, as well as natural and secondary forests). Production forests are divided into three categories: (i) permanent production forests, (ii) limited production forests, which are more restrictive in terms of their management, and (iii) conversion forests, which can be transformed for purposes other than forestry, like mining or agriculture (MoEF 2018a).

Large industrial forest concessions (which make up around 30 million ha) are attributed by the government to large timber enterprises, are include both logging concessions (18.8 million ha) and industrial timber plantations (11.2 million ha) (MoEF 2018b). These need to comply with the national traceability system (the Timber Legality Assurance System known locally as SVLK), as well as with *Pengelolaan Hutan Produksi Lestari* (PHPL, Sustainable roduction Forest Management) standards, which add sustainability management criteria to the legality requirements; together these are interpreted as SVLK+. Large enterprises log and process the timber themselves or sell to timber processors. They operate both on domestic and international markets.

In **conservation forests** (21.9 million ha, of which 17.3 million ha is under forest cover) logging trees is not permitted. In areas like national parks, forest use is restricted; although use of environmental services are allowed. In other conservation areas, other arrangements can be made; for example, a

partnership with the state-owned company Perhutani permits local communities to clear vegetation and plant non-timber products like coffee and avocado. However, the tree stands are protected. Use of fertilizers and pesticides to increase the productivity of these non-timber products is permitted; however, this is not common practice due to local communities' lack of finances. These non-timber product areas can be permanent.

The third category of state forests in Indonesia are the **protection forests** (29.7 million ha, of which 23,9 million ha are under forest cover). These are forests located along rivers, on steep slopes, etc., which have a strict protection status, and where logging or other activities are not allowed.

Timber can also be harvested **outside state forests** on land that is not classified as forests. These private forests are plantations on private (agricultural) land, undertaken by farmers to diversify their income. These farmers are therefore called tree planters. VPA regulations also apply to these private forests, but simplification schemes exist for these tree planters (who sell mainly to brokers/traders) so they can comply with legality requirements. This timber is used for both domestic and international markets, depending on the brokers. The tree species used for the plantations mainly depend on market demand, soil conditions and the circumstances of the specific enterprise – farmers tend to plant fast-growing species.

Finally, we find **social forestry schemes**, which are concessions both within and outside of state forest zones. Local communities can apply under one of five schemes: village forest, community forest, smallholder timber plantation, Indigenous forest and forestry partnership.

3 Results

3.1 Breakdown of respondents

Key takeaways

- The expert pool identified and interviewed for the study was highly relevant and knowledgeable; respondents had an average of 15 years of forestry sector experience and knowledge of sectors covered in the survey (e.g., CS, local and Indigenous communities, private sector, etc.).
- The sample was well balanced across categories: artisanal private sector (21.57%), CS (21.57%) and public administration (15.69%).
- Respondents had a high level of involvement in FLEGT-VPA related activities (91%), with two thirds of them involved in TLAS definition and implementation, and nearly half of them involved in multi-stakeholder dialogues.
- Less than a fifth of respondents were female (19%) which is low female representation; however, this in line with gender distribution within the forestry sector.

As shown in Figure 1, the 102 survey respondents work in diverse fields connected to the forestry sector. We see the same proportion of respondents (21.57%) coming from the artisanal private sector as from CSOs; while the second largest share work in public administration (15.69%). Researchers and consultants were also surveyed (10.78% each). Only a few industrial private sector representatives were interviewed as the focus of the study was, among other things, to better understand VPA's impacts on SMEs. Very few smallholders could be met due to the remoteness of their place of residence, and the difficulties encountered in them coming to Jakarta or Bogor; no representatives from local communities/Indigenous Peoples could be met for the same reason. However, we see from Figure 2 that nearly 25% of respondents considered themselves to have good knowledge of the situations of local communities and Indigenous Peoples in Indonesia, giving confidence that findings are coherent with local forest populations'

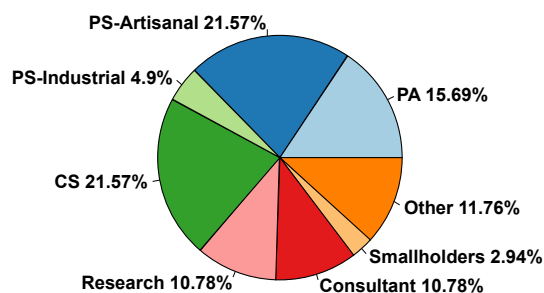


Figure 1. Percentage of respondents per sector (N=102)

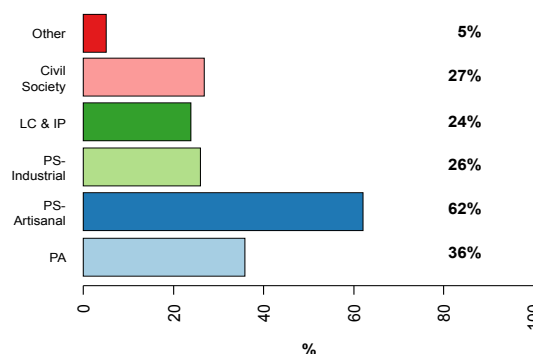


Figure 2. Respondents' knowledge of the sectors (N=102)

realities. The category 'Other' is made up of certification body and donor representatives.

Figure 2 also shows respondents' confidence regarding their knowledge of the issues covered in the survey. This is particularly true for the artisanal private sector (SME knowledge = 62%), which is not surprising in the Indonesian context.

Figure 3 shows how the sampled respondents also had significant experience in the forestry sector, averaging 15 years work experience (between their minimum of 1 and maximum of 40 years' experience over the cohort); this also highlights the relevance of the expert pool identified and interviewed for the study. Female representativity is 19%, which is low, but coherent with gender distribution in the forestry sector.

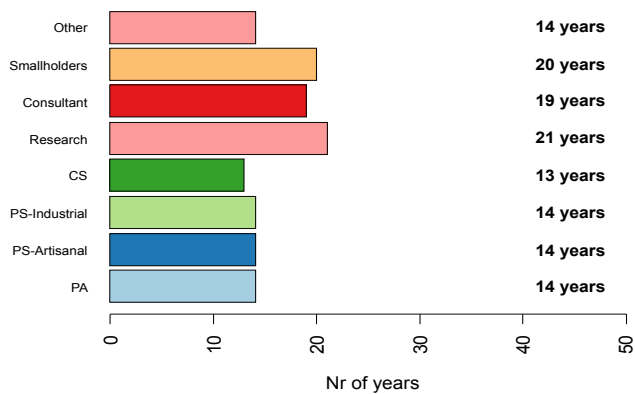


Figure 3. Respondents' work experience in the sector (N=102)

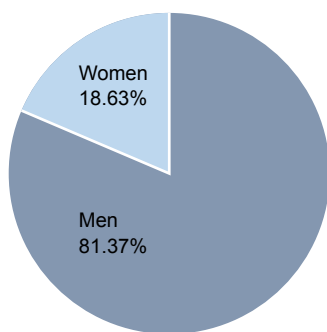


Figure 4. Gender of respondents in the survey (N=102)

As seen in Figure 5, most respondents are or were involved in FLEGT-VPA related activities in one way or another. This includes the majority (65%) having involvement in the development and implementation of the TLAS, and significant numbers being involved in multi-stakeholder dialogue processes (46%). Those who declared no FLEGT-VPA involvement

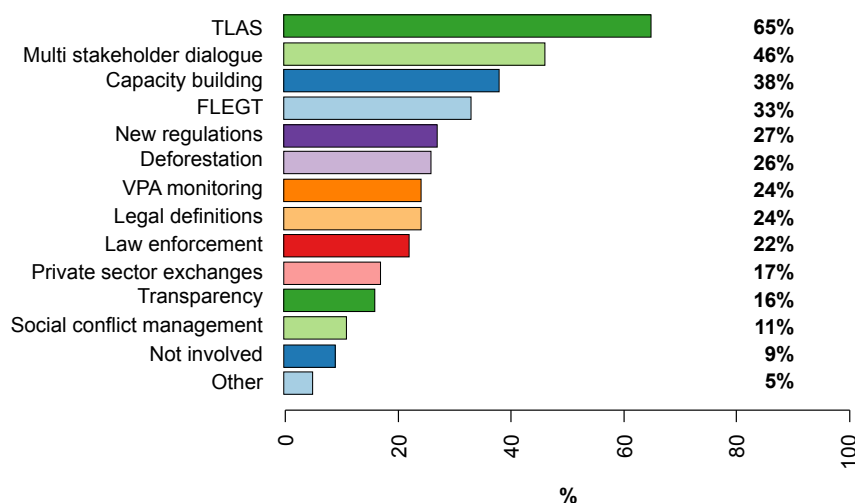


Figure 5. Respondents' involvement in FLEGT-VPA related activities

mostly represent SMEs; these respondents still know about FLEGT-VPA or at least see the consequences of it on the ground, and as such they remain relevant respondents.

To allow mean comparison testing across groups, respondents' associated sectors were reduced to four categories:

1. **'Public administration'** representing 15.69% of the total sample;
2. **'Private sector - artisanal'** grouped with smallholders/tree planters representing 24.53%;
3. **'Civil society organizations'** including local communities and Indigenous Peoples representing 21.57%;
4. **'Others'** grouping industrial private sector respondents, consultants, researchers and others representing 38.22%.

As in the TEREVA FLEGT Action Plan Evaluation (2016), respondents were asked to outline the three main reasons why Indonesia engaged in a VPA process. Figure 6 displays these responses. According to respondents, the top three motivating factors leading Indonesia to engage in the VPA process were (i) reducing illegal logging and trade (58%), (ii) improving forest management (39%), and (iii) establishing the TLAS (38%)⁶. Interestingly, the first reason highlighted in the TEREVA report (for both Indonesia and all VPA countries in the 2016 evaluation) – which was 'improving access to the European market' – comes just fourth in this survey. However, other key reasons highlighted in the TEREVA report – 'reducing illegal logging and trade' and 'improving forest management' – remain within the three most important motivations for respondents of this survey.

⁶ Multiple choice question with a maximum of three responses per respondent.

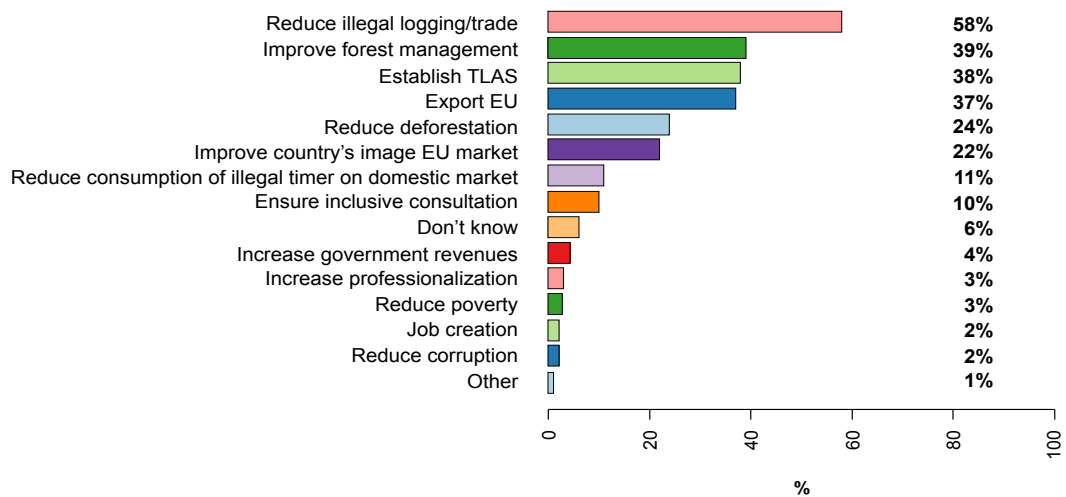


Figure 6. Reasons respondents believe Indonesia engaged in the VPA process (N=102)

3.2 The environment

Key takeaways

- **Illegal logging has decreased over the years** but to a lesser extent outside state forest areas, and illegal logging remains a reality in Indonesia.
- **The VPA has moderately contributed to decreasing illegal logging in Indonesia.** Indonesian government policies and actions were considered to play a bigger role than the VPA process, since the TLAS as a whole began before VPA negotiations. The importance of national ownership was frequently mentioned by respondents.
- **The VPA has moderately contributed to an increase in the amount of timber being exploited with legally obtained permits.** It is estimated that the percentage of timber exploited with legal permits has increased from 49% to 75% since VPA ratification. FGD participants highlight that although more people possess legal documents for their businesses in line with legal requirements, practices have not really changed on the ground.
- Respondents estimated that the share of **illegal timber on the domestic market has decreased from 51% to 40%**. The Government of Indonesia decided to include the domestic market in the SVLK and make legal wood more attractive on the domestic market through the VPA. However, legal wood on the domestic market does not seem to be encouraged through public procurement processes.
- The share of **illegal timber on the export market has similarly decreased from 51% to 29%** and the VPA has moderately contributed to this reduction.
- **The VPA has moderately contributed to providing CS with a greater role** in controlling legality and identifying irregularities.
- **The VPA has slightly contributed to a reduction in deforestation in Indonesia.** It has also contributed to better implementation of forest management plans, mainly through the PHPL.
- **Most respondents felt that the process of obtaining legal certification had introduced new (formal and informal) taxes.**
- **The VPA has slightly contributed to an increase in the amount of ha under exploitation through private certification.**
- **The VPA has slightly contributed to more consultation and consideration of local communities** in decision making in the timber sector and to more recognition of their rights, including property rights.
- **The VPA has slightly contributed to improving the living conditions of smallholders and tree planters.** Respondents also felt that timber sector tax revenues contributed to an improvement of local communities' and Indigenous Peoples' (LC & IP) well-being compared to before VPA ratification.
- **The VPA has slightly contributed to consideration around the status of women, youth and marginalized groups.**

3.2.1 Evolution of illegal logging

Indonesia’s government began developing its Timber Legality Assurance System (TLAS) – locally referred to as the ‘Standard Verifikasi Legalitas Kayu’ or SVLK – in 2003 before implementing it in 2010 (TEREA 2016). Once the VPA had been ratified in 2014, the SVLK became mandatory for all actors along the timber chain. Because of the challenges faced by small producers in complying with the SVLK, the system has been simplified for small enterprises operating on the domestic market and for smallholders/tree planters. Now SMEs which do not export can demonstrate legality for wood harvested from their private forest through having a Supplier’s Declaration of Conformity (SDoC or DKP), instead of being verified under SVLK (Susilawati et al. 2019). Another simplification for small producers is the opportunity to conduct group verification for timber legality, which enables group members to share the verification costs (Susilawati et al. 2019). SVLK

certification is mandatory for all exported timber and timber products (with some exceptions for certain specific products). This is called the FLEGT license when exporting to the EU, and the V-legal certificate when exporting to all other international markets.

One expected impact of implementing a mandatory legality assurance system (TLAS) is a reduction in illegal logging activities.

Respondents were asked to estimate how much they felt illegal logging had decreased since VPA ratification across the three different types of forest classifications: (i) production forests, (ii) conservation and protection forests (grouped for simplicity reasons), and (iii) outside state forests (see Section 2.4 for more information on this classification).

- a. A substantial share of respondents estimated that, since VPA ratification, **illegal logging had**

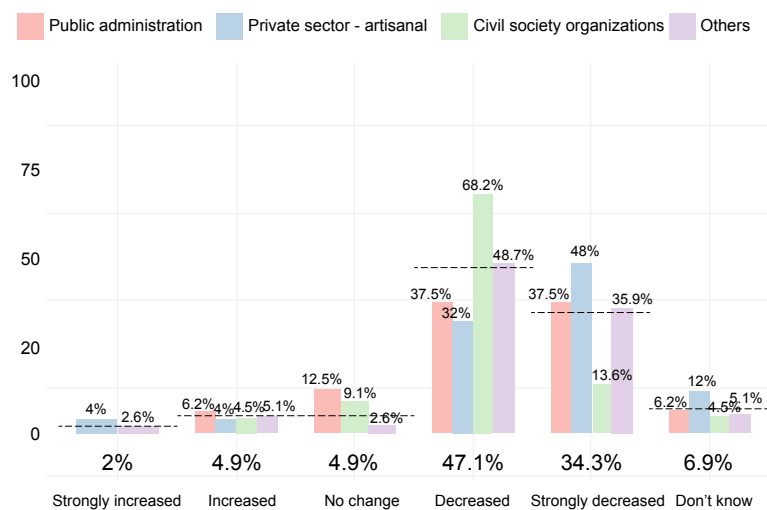


Figure 7. Evolution of illegal timber logging in production forests since VPA ratification (N=95)

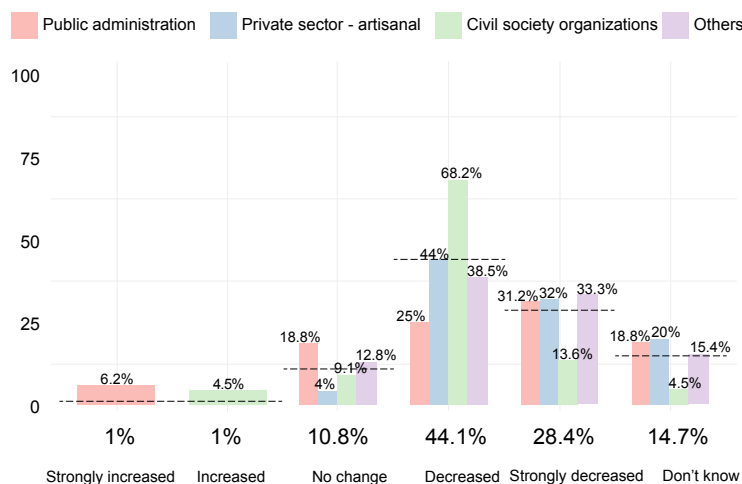


Figure 8. Evolution of illegal logging in conservation and protection forests since VPA ratification (N=102)

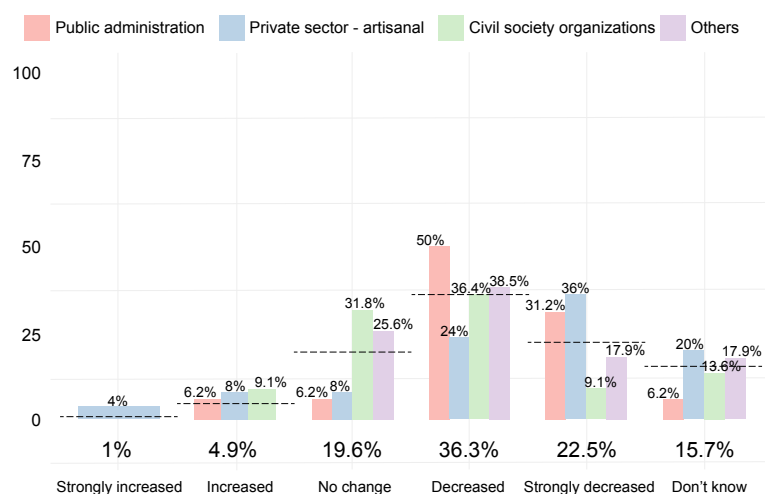


Figure 9. Evolution of illegal logging outside state forests since VPA ratification (N=102)

decreased (47%) or strongly decreased (34%) in volume in production forests.

- b. Likewise, a substantial share of respondents estimated that since VPA ratification, **illegal logging had decreased (44%) or strongly decreased (28%) in volume in conservation and protection forests.**

During the FGD, it was highlighted that currently illegal logging activities in conservation and protection forests⁷ mainly involve small players (e.g., land grabbing for agriculture purposes); while previously illegal logging was commonly practiced by large enterprises in these areas. Since the risk of getting caught has increased (i.e., since SVLK/VPA implementation) and the corresponding sanctions are seen as severe, large enterprises are now less active in illegal logging activities. This shift in practices, however, began before VPA implementation (beginning since SVLK implementation in 2010).

- c. A substantial share of respondents also estimated that, since VPA ratification, **illegal logging had decreased (36%) or strongly decreased (22.5%) in volume outside state forests.**

Wood harvesting outside state forest is wood harvesting on private land. Timber coming from these private forests is therefore not illegally logged, as farmers log and sell the timber from their own land or plantations, as long as they own the land title. That said, widespread overlapping tenure claims over

⁷ Logging concessions do not exist in conservation forests, logging is allowed by local communities for personal use only (for the construction of houses, etc.) but should respect certain conditions (e.g., permitted diameters). In protection forests, meanwhile, no logging activities are allowed.

forest areas (Setyowati and McDermott 2017) and the fact that many smallholder forest owners do not hold formal land titles (Maryudi et al. 2015) hinder their ability to obtain timber legality certification.

Another issue lies further downstream. Susilawati et al. (2019) flag that some brokers mix logs from SVLK-verified and unverified farmers, and then provide a single Nota Angkutan (Transport Note), even though logs have originated from various growers and some of them are illegal. This issue was raised by various participants in FGD sessions.

The perceived decrease in illegal logging is consistent with TERA's findings (2016), which outline that while key forest resources have been depleted, illegal logging has significantly declined since 2003. However, looking at Figures 7, 8 and 9, it seems the area outside of state forest has seen less of a decrease in illegal logging than production, protection and conservation forests; 'no change', 'increased' or 'strongly increased' answers were the most frequently selected responses for outside of state forest areas. During the FGDs, respondents confirmed that it had become more difficult to operate illegally due to more restrictive regulations, controls and sanctions. However, they also specified that the situation differs from place to place across the archipelago. Cases of illegal logging in Papua and Maluku were often mentioned, as recently published by a Mongabay series⁸; as well as illegal wood smuggling from Indonesia to Malaysia. Mongabay (2020) also reported that the Ministry of Environment

⁸ <https://news.mongabay.com/2019/05/in-indonesia-a-flawed-certification-scheme-lets-illegal-loggers-raze-away/>

and Forestry through the Directorate General of Law Enforcement has confiscated illegal timber in Kaimana, Surabaya, Makasar, and Maluku; and have put several company directors into legal proceedings.

The decrease in illegal logging activities has been motivated by diverse factors; VPA seems to play a moderate role in this.

As seen in Figures 10, 11 and 12, respondents felt that the VPA had ‘moderately’ contributed to a decrease

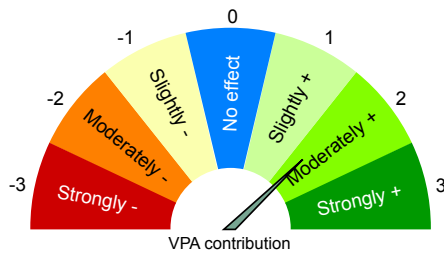


Figure 10. How much respondents felt the VPA contributed to the decrease in illegal logging in production forests (N=98)

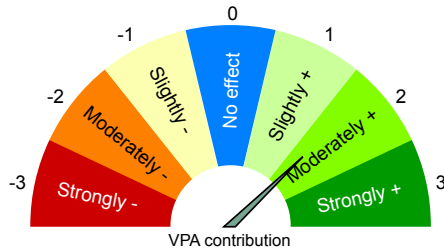


Figure 11. How much respondents felt the VPA contributed to the decrease in illegal logging in conservation/protection forests (N=92)

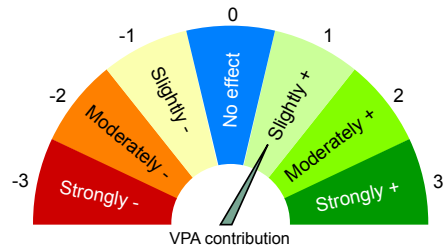


Figure 12. How much respondents felt the VPA contributed to the decrease in illegal logging outside of state forests (N=85)

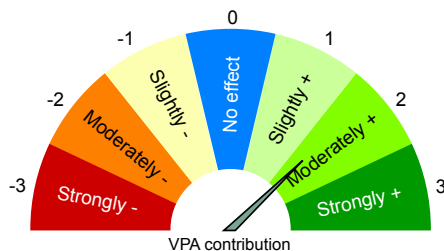


Figure 13. How much respondents felt the VPA contributed to the increase in timber (volume) being exploited with a legal permit (N=85)

in illegal logging in production and conservation/ protection forests, its contribution to decreasing illegal logging outside state forest zones seemed to be less. Interestingly, private sector representatives tended to be more positive than other respondents towards VPA’s contribution to the decrease in illegal logging.

In most FGDs, respondents insisted on the importance of national ownership when it came to the SVLK (Indonesia’s national Timber Legality Assurance System, TLAS), and the role that the Indonesian government played/is playing in combating illegal logging; as such, the VPA process and implementation was seen to play a secondary role.

Another dimension of the TLAS is the obtaining of permits.

Results show that the VPA was perceived to have made a ‘moderate’ contribution to the increase in timber being exploited with a legal permit (see Figure 13). CS actors felt the VPA had made a smaller contribution to this increase, compared with other respondent groups⁹. FGD participants did recognize that, compared to pre-VPA ratification, more forestry actors had the correct legal documents for their businesses, as this is now a legal requirement. However, they also shared concerns that practices have not really changed on the ground, as most of the verification system is document based, with no or few checks on current practices on the ground (e.g., respecting annual planning), implying no significant improvement has been made in forest management.

Consistent with the above finding, survey results show that the percentage of timber being exploited with a legal permit had increased from 49% (before VPA implementation) to 75% (at the time of the survey). This seems to be consistent with TEREAs’s (2016) estimation which states that 30% of timber was illegal in 2015, compared to 80% in 2005.

Since legality compliance is mandatory for all timber value chain actors, it is interesting to check whether or not the share of illegal timber present in the domestic and the export markets has decreased; and to consider whether VPA has played any contribution in this.

⁹ Civil society organization actors felt the VPA made a ‘slight’ contribution, whereas across the entire sample, this was felt to be a ‘moderate’ contribution.

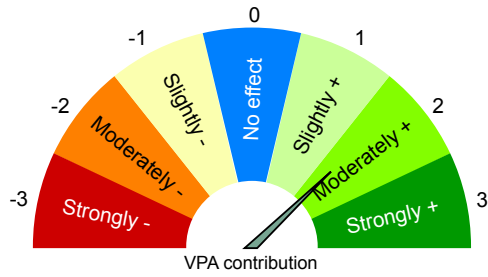


Figure 14. How much respondents felt the VPA contributed to a reduction of illegal timber on the domestic market (N=86)

- a. First, in terms of volume, the share of **illegal timber on the domestic market has, on average, decreased** from 51% (before VPA ratification) to 40% (at the time of this study). The VPA was seen to have ‘moderately’ contributed to this reduction of illegal timber on the domestic market.

Despite the fact that the Indonesian timber legality system, SVLK, applies to the domestic market (EFI 2018), wood panel industry representatives interviewed by Susilawati et al. (2019), as well as respondents interviewed for this study, stated that most domestic buyers do not pay attention to legality compliance when purchasing wood products. As such, **there is little incentive for small producers operating on the domestic market to comply with the SVLK** (this is consistent with the small decrease observed

in the above survey results). **This is consistent with the survey results that highlight disparity in respondents’ opinions on the domestic demand for legal wood** (in Figure 15, 26.5% of respondents felt there was ‘average’ demand, while ‘weak’ and ‘high’ demand received 22% and 20% respectively).

Interestingly, respondents stated that they **mostly agreed or strongly agreed (60%) that the government had made legal wood more attractive on the domestic market since VPA ratification**. On one hand, this is consistent with government aims; according to one of the FGDs, since 2017 more budget has been allocated annually to financially support legality compliance among SME groups (as a means of assisting them to exit the informal sector). Despite this, respondents also observed that most SMEs do not renew their legal certificates, explained by the low cost-benefit gains of legal certificates for SMEs. On the other hand, however, this finding is inconsistent with the fact that legal wood on the domestic market does not seem to be encouraged through public procurement processes. Indeed, some FGD respondents highlighted the difficulty faced by public actors in imposing wood legality conditions in public procurements, explaining that it would cause unfair competition. Many respondents confirmed that local consumers’ awareness is low regarding the potential positive spill overs of buying legal wood products.

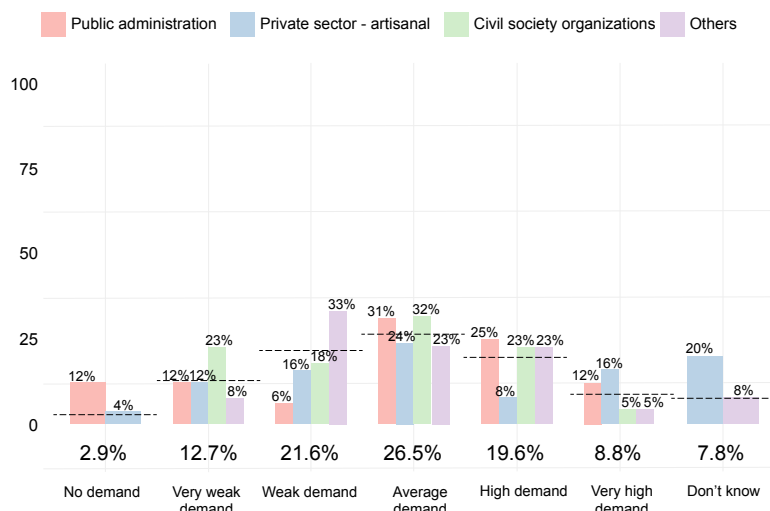


Figure 15. Domestic demand for legal wood (N=102)

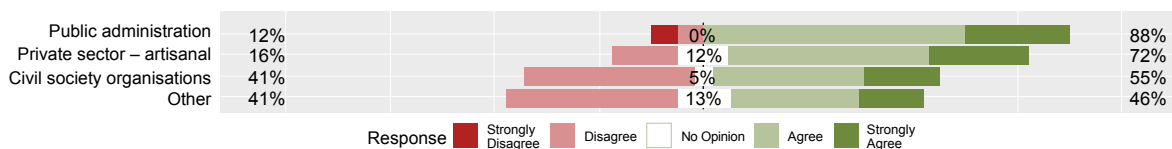


Figure 16. Statement on whether government has made legal wood more attractive to the domestic market since the start of the VPA process (N=102)

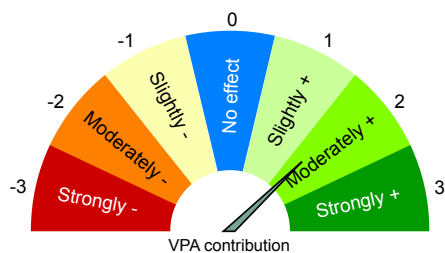


Figure 17. How much respondents felt the VPA contributed to a reduction of illegal timber on the export market (N=92)

b. Second, in terms of volume, the share of illegal timber on the export market has, on average, decreased from 44% (before VPA ratification) to 29% (at the time of this study). The VPA was found to have moderately contributed to this reduction in illegal timber on the export market from Indonesia.

SVLK compliance – leading to a FLEGT license to export to the EU, or a V-legal license to export anywhere else – is supposed to reduce exports of illegal wood products. This trend was confirmed by most participants of the FGDs. Respondents acknowledged the important ‘push’ effect of the Indonesian government imposing mandatory SVLK compliance, while highlighting the missing ‘pull’ factors from Europe – that is not marketing FLEGT licensed timber on the EU market – as well as highlighting the challenges associated with consistent European Union Timber Regulation (EUTR) implementation across member states. Participants also flagged the missing ‘pull’ factors from other importing countries like China (which were seen to pay very little attention to legality). These missing ‘pull’ factors, according to respondents, make Indonesia less competitive compared to its wood processing Asian neighbours.

That said, some respondents felt importing countries are paying more and more attention to legalities and sustainable management (e.g., Korea now recognizes the FLEGT license; Japan leans towards legality; SVLK meets Australia’s illegal prohibition requirement). As such, this gives Indonesia an advantage, when other countries are not so responsive to changing desires globally.

Figure 18, which summarizes the three last analysed indicators, reveals an improvement in legal wood production and market share, when comparing the year of survey with pre-VPA ratification. According to survey respondents, the VPA has moderately contributed to these improvements.

The VPA process places an important role on CS as a control agent to flag irregularities in the forestry sector.

On a scale of 0 (no role) to 5 (very important role), respondents perceived the role of CS to have moved, on average, from 2.1 (‘low role’, before VPA ratification) to 3.4 (in between ‘moderate and high role’, at the time of survey); increasing 1.3 steps up the 0 to 5 scale. The VPA was felt to have moderately contributed to providing CS with this greater role in controlling legality and identifying irregularities.

Interestingly, results show CS respondents felt that their role was more important than the artisanal private sector did. According to FERN (2011, 2012), CSOs are now formally recognized as monitors of the SVLK system. They are part of the Independent Forest Monitoring Network (JPIK), created in 2010 to monitor activities concerning implementation of the SVLK. Today, all timber

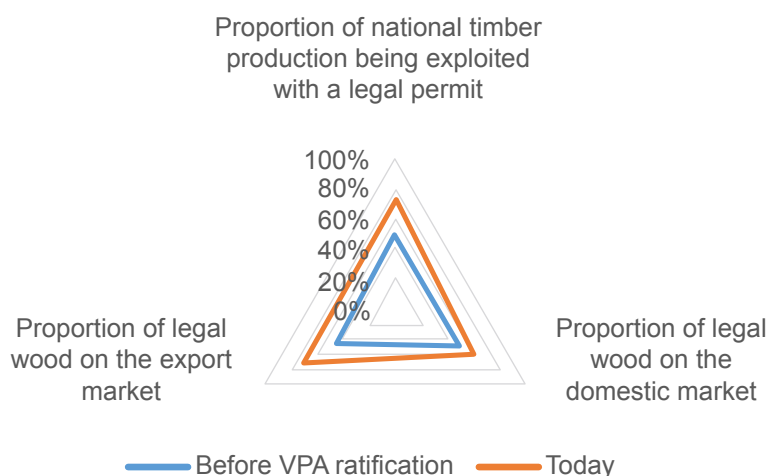


Figure 18. Spider diagram showing improvements in legal wood production and market share

harvesters and processors are in principle subject to independent audit, monitored by the JPIK (FERN 2016; Setyowati and McDermott 2017). From FGDs, it appeared that CSOs are indeed playing an important watch dog role, but respondents also highlighted their lack of resources to cover all forested area across the entire archipelago, as well as the lack of follow up and credible sanctions imposed by authorities (See Section 3.4).

Finally, some words on the FLEGT license.

Several times during FGDs, it was flagged that **Indonesian wood/forestry stakeholders across all sectors were very proud to be the first country to get the FLEGT license** (e.g., “We cannot say enough that it is a really big achievement for our country”; “It is a big achievement for our country”; “making SVLK compulsory for all actors is a success”; “In 2016, we all said ‘Indonesia had improved so much, we are not that bad, we can achieve good things’”; “we are improving our image”; “Indonesia is changing for a better”; etc.). **However, in practice, the FLEGT license is not an easy thing to implement**, as illustrated by comments like, “the SVLK mechanism is good, but there are gaps in the system”; “All steps to get the license were fulfilled, but there are still issues, gaps, problems, and this is totally normal – implementing such a system in any country would be challenging”; “the system is working and there is political will, but we still need more law enforcement”; “document falsification is a reality, even if the system can detect some illegalities, sanction enforcement is a problem”. Some respondents also highlighted that the FLEGT license is not the end of a process, it is only the beginning of further forestry sector improvements, both in Indonesia and hopefully across the region.

FGDs frequently highlighted that the fact the SVLK was online was critical to its success in preventing from corruption practices. However, it did pose some limitations, such as code harmonization changing the recipient of an export order, as well as the fact that in Europe the process is not yet fully electronic. Other respondents felt that the entire legal process put a significant administrative burden on companies and there were too few governmental staff available to complete the necessary administrative requirements (i.e., to revise and sign relevant documentation in a timely way).

3.2.2 Deforestation and forest conversion

Despite fears expressed in the literature that the SVLK and economic growth could encourage

deforestation (FERN 2014; TEREA 2016), survey results indicate that the VPA has, on average, **slightly contributed to a reduction in deforestation in Indonesia and to better integration of multiple forest functions**. Respondents felt that deforestation as a result of timber activities had declined in recent years. However, the conversion of forest to palm oil plantations is still considered to be the biggest driver of deforestation (TEREA 2016).

According to respondents, Indonesia’s recognition of the various ecosystem services provided by forests seems to have changed. Forest functions like climate regulation, biodiversity conservation, living environment and touristic attractiveness have received increased attention since ratification of the VPA.

It should be noted that assessment of VPA’s impact on deforestation or forest recognition depends on which forest definition is used. Indonesia tends to consider natural forests, forest which are also used for cash crop plantations, and tree plantations as equivalent, despite these forests being very different in terms of

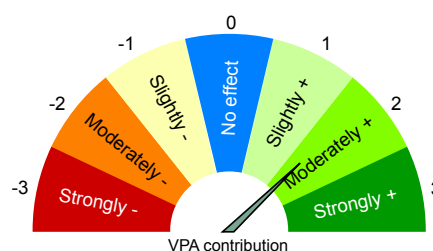


Figure 19. How much respondents felt the VPA contributed to providing CS with a greater role in controlling legality and identifying irregularities (N=92)

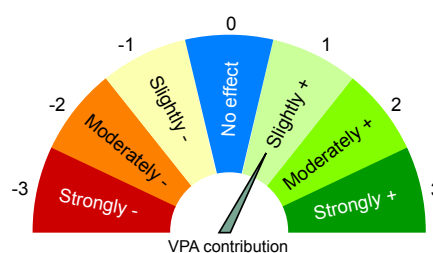


Figure 20. How much respondents felt the VPA contributed to a reduction in deforestation in Indonesia (N=93)

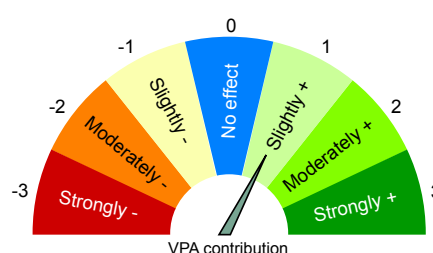


Figure 21. How much respondents felt the VPA contributed to better integration of multiple forest functions (N=92)

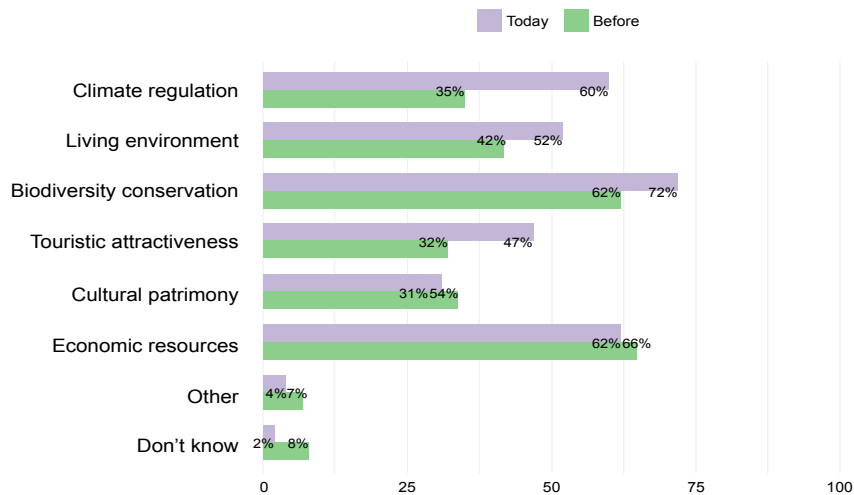


Figure 22. Recognized forest ecosystem services (N=102)

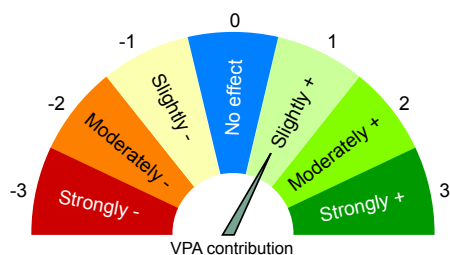


Figure 23. How much respondents felt the VPA contributed to improved implementation of forest management plans in Indonesia (N=93)

biodiversity and ecological functioning, hence having different environmental outcomes.

Respondents also felt the VPA had **slightly contributed to improved implementation of forest management plans in the country**, and that implementation of forest management plans was now ‘moderate’ compared to the previously low implementation seen prior to VPA ratification (an improvement of almost one step – 0.92 – on the scale). CS actors, however, perceived the situation differently than the group of ‘Other’ actors (including industry representatives and certification bodies), feeling that forest management plan implementation was now weaker.

Forest management was thought to be improved by many FGD participants, primarily due to large companies becoming PHPL¹⁰ certified, very much encouraged by government policies. However, despite improvements on paper in terms of laws, regulations, administration and permits, as previously mentioned these evolutions are not necessarily linked to improvements on the ground.

10 PHPL is the sustainability requirements that complement the legality requirements of the SVLK.

A major concern raised by respondents was the lack of coherence between central government policies subnational government policies, as well as their enforcement. Despite central government attempts to communicate information from central bodies to the regions, decentralized administrations still seem to lack the capacity and resources needed to keep up with central efforts to move towards improved legality and sustainability. One example of this was given for Kalimantan. Once forest concessions are PHPL certified, they are permitted by the central government to self-declare an annual plan and self-report on their performance, submitting this through an online system. However, local forestry officers (at province and district levels) continue to request hard copies of the plans. Not only does this increase companies’ administrative costs, they are also pressured by local governments to make ‘informal’ payments (i.e., bribes).

Respondents also mentioned that once companies are SVLK and PHLP certified, management plans do not necessarily need to be respected, as they just need to adapt their plan via their self-declarations. No checks are done in the field by certification bodies; which diminishes the impact of the SVLK/PHPL certification when it comes to improving sustainable forest management (SFM).

Finally, some FGDs highlighted that it was not surprising the VPA had not resulted in significant improvements in sustainable forest management or environmental indicators, since the focus of the VPA was on legality, which is simply a foundation (if the conditions are right¹¹) leading to better forest governance and management.

11 Sustainable forest management is influenced by many factors (mining, agriculture, demography, etc.)

3.2.3 Local communities

LC & IP living in or close to the forest have a role to play in forest preservation. If they are consulted and their opinion is taken into account in public decisions concerning the forestry sector and their rights are therefore better respected, this can result in well-being improvements, as well as increasing their capacity to protect the forest, creating a virtuous circle. According to the European Council, FLEGT aims to “strengthen land tenure and access rights especially for marginalized, rural communities and Indigenous Peoples ... strengthen effective participation of all stakeholders, notably of non-state actors and Indigenous Peoples, in policymaking and implementation ... increase transparency ... [and] reduce corruption.” (Nurrochmat et al. 2016). In this section we look at various indicators to understand whether positive evolution in this aspect can be linked to the VPA process.

- a. Respondents felt that the VPA had **slightly contributed to an increase in LC & IP being consulted**. Before the VPA, consultation of LC & IPs was considered to be weak, but this increased to ‘moderate’ after VPA ratification. CS and private sector artisanal groups were less optimistic about the level of consultation than the public administration and ‘other’ groups.

Similarly, respondents felt that the VPA had also **slightly contributed to more consideration of LC & IPs’ opinions when it came to decision making in the timber sector**. Since VPA ratification, consideration of LC & IPs’ opinions in decision-making processes had slightly increased on a scale of 0–5, from 2.54 (between slight and moderate before VPA) to 3.26 (at the time of the survey). Once again, the CS group gave a lesser score for this indicator (considering the VPA contribution to be slight).

During FGDs it was highlighted that although the VPA had fostered an inclusive multi-stakeholder dialogue, representatives often belong to an elite, and as such this did not necessarily guarantee the inclusion of LC & IPs’ concerns in decision making, leaving room for improvement.

- b. It was felt that the VPA had **slightly contributed to an increase in LC & IPs’ rights being considered, as well as to more recognition of their property rights**. There is debate in the literature on the extent to which Indonesia’s VPA strengthens or ignores community land

rights (FERN 2016; Maryudi 2016). A few years ago, respect and recognition of customary rights was still considered to be weak, undermined by corruption and weak governance (FERN 2016; Setyowati and McDermott 2017). Little attention was devoted to this question during FGDs.

- c. Survey results also showed that respondents felt the VPA had **slightly contributed to improving LC & IPs’ well-being, as well as the living conditions of smallholders and tree planters**¹².

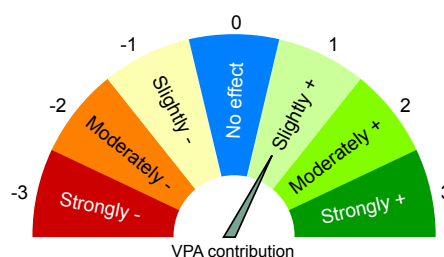


Figure 24. How much respondents felt the VPA contributed to more consultation of LC & IP in decision making in the timber sector (N=89)

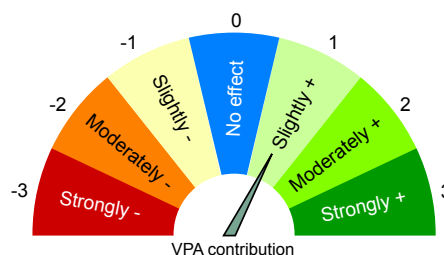


Figure 25. How much respondents felt the VPA contributed to more consideration of LC & IPs’ opinions in decision making in the timber sector (N=87)

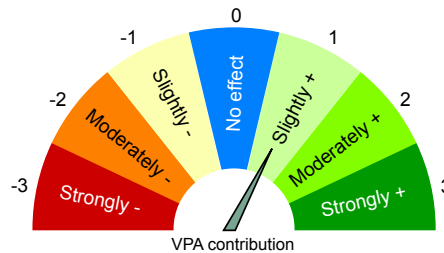


Figure 26. How much respondents felt the VPA contributed to more consideration of LC & IP Peoples’ rights (N=92)

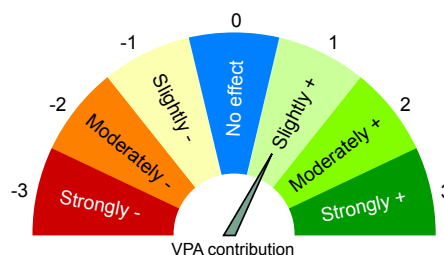


Figure 27. How much respondents felt the VPA contributed to more recognition of LC & IPs’ property rights (N=92)

12 Results come from two different questions.

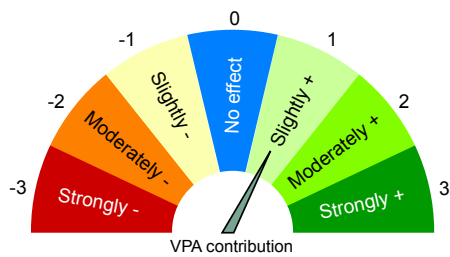


Figure 28. How much respondents felt the VPA contributed to improving LC & IPs' well-being, and the living conditions of smallholders and tree planters (N=91)

FGD participants shared that with the social forestry scheme, LC & IP can use the forest for non-timber forest products (as well as to plant coffee, avocado, etc.) and in exchange they maintain the forests. Respondents stated that before this measure, conservation forests were largely damaged by illegal logging activities, whereas illegal logging had since significantly decreased, and the well-being of the local population had increased. This social forestry scheme appears to be a win-win solution, as long as local communities do not use pesticides and fertilizers which would damage conservation forests. One respondent stated that since 2014, LC & IPs are more informed on good forestry practices, and therefore have more capacity to sustainably manage their forests.

Tree planters and smallholders plant trees on their private land, as a means to diversify their income, which seems to be profitable (according to a few FGD participants). Legal recognition (i.e., having a SVLK certificate) does not seem to be an issue in Java, though causes challenges on

other islands like Papua. Differing contexts in Indonesia, in terms of land ownership and land occupation rights, prevents some smallholders from accessing the required documents for certification. Finally, as FERN reported in 2014, the European Parliament raised concerns about deficiencies within the VPA, claiming that SVLK was leading to “timber operations being certified as legal while land-use rights claimed by LC & IPs have not been settled and/or proper compensation has not been paid”.

- d. It is also worth observing whether better regulation has improved tax revenue use in favour of LC & IPs. **A significant number of respondents (43%) agreed or strongly agreed that timber sector tax revenues had contributed to improvements in LC & IPs' well-being.** However, a third (33%) had no opinion on this statement, and one fourth (24%) disagreed, a perspective particularly prevalent among CS actors.
- e. Respondents felt that the VPA had **slightly contributed to more consideration of the status of women, young people and marginalized groups** when it came to questions related to forest management and logging. More than a third of respondents said that the VPA had made no contribution in this respect. This is coherent with FGDs, in which many participants expressed that “*the VPA was not designed to have an impact on such a group*” and “*there is no gender language in the VPA text*”.

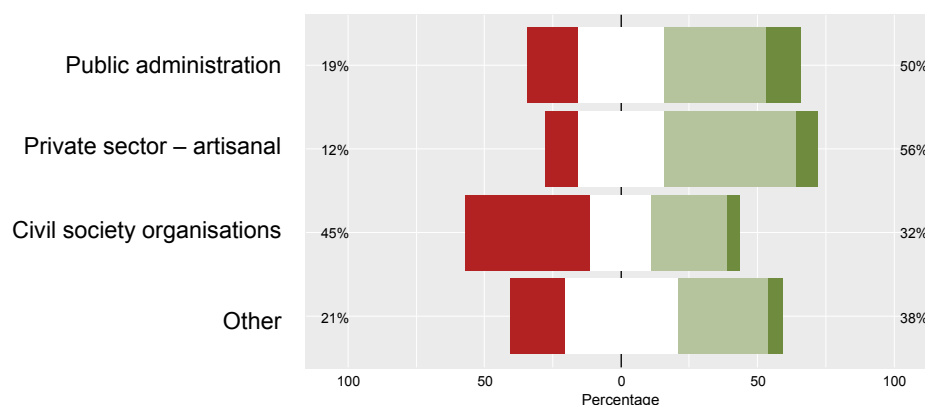


Figure 29. Statement on whether timber sector tax revenues have contributed to increased LC & IPs' well-being, since the start of the VPA process (N=102)

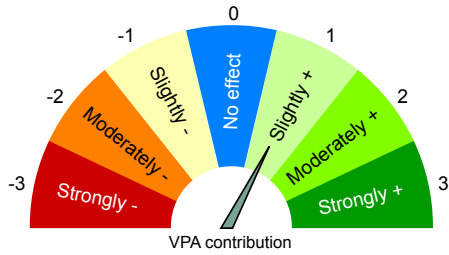


Figure 30. How much respondents felt the VPA contributed to more consideration of the status of women, youth and marginalized groups in questions related to forest management and logging (N=87)

3.2.4 Certifications and permits

In previous sections, we elaborated on the various permits and certification systems in place to facilitate compliance with legal requirements. In this section we would like to highlight two related points: (i) the introduction of new taxes, and (ii) the link with private certification schemes.

Most respondents (54%) felt the process of obtaining legal certification (i.e., the V-Legal certificate or FLEGT license) had introduced new taxes, both formal and informal. However, almost a third (31%) disagreed or strongly disagreed with this statement, while another 15% had no strong opinion either way. Private sector and CS actors tended to agree with this proposition more than the other two groups (public administration and 'other').

Since the VPA became mandatory, more enterprises have applied for legal permits, and are now making official contributions to the taxation system. This is confirmed by the literature, which states that illegal logging has resulted in substantial tax revenue losses for the government (TEREA 2016) and that timber industry tax returns have significantly increased in

recent years (FERN 2016). Meanwhile, the fact that certification has become mandatory has also resulted in higher risks of informal taxation, especially at decentralized government level, as FGDs highlighted.

Respondents felt that the VPA had slightly contributed to an increase in the number of hectares under exploitation via a private certification system.¹³

This is in direct contrast with TERE (2016) which claims that interest in FSC certification declined in 2015 due to the anticipated imminent start of FLEGT licensing, and the fact that prices for FSC-certified products were similar to those of SVLK-certified products. However, our survey results are consistent with FGDs, in which participants commented on the difference in incentives between mandatory certification (i.e., SVLK) and private certification (i.e., FSC). While the latter is market-driven, being requested by buyers/consumers, the former is government-imposed. Respondents see no conflict or competition between the two types of certification systems; some even seeing complementarity (e.g., it is easier to be FSC certified if you are SVLK certified). However, respondents insisted that FSC certification is more financially motivating, as buyers/consumers cover the certification costs while there is also international market demand for products with this certification. When it came to SVLK certification, most respondents complained about the lack of marketing for legal Indonesian wood within European member states; Exports of this wood to Europe had not increased as expected (nor had exports of V-legal certified products to other international markets). Meanwhile, consumers do not appear ready to pay a premium price for V-legal certified wood in the same way as they are ready to when it comes to FSC certified wood.

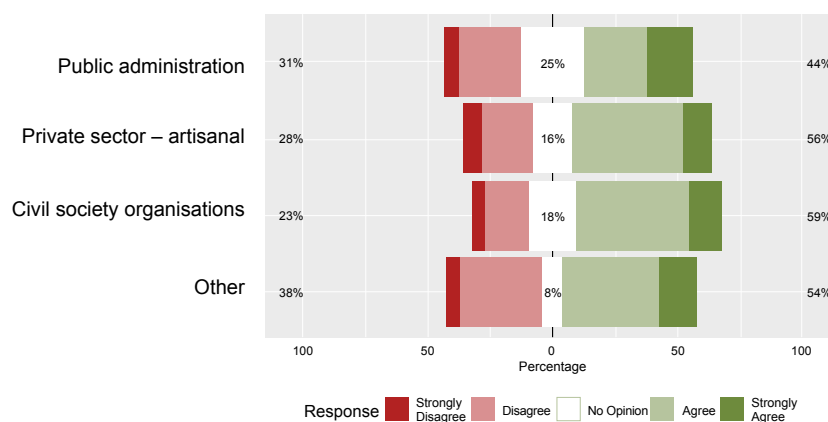


Figure 31. Statement on whether the process of obtaining a legal certification (FLEGT) introduced new formal and informal taxes, since the start of the VPA process (N=102)

¹³ In Indonesia, this mainly means Forest Stewardship Council (FSC) certification.

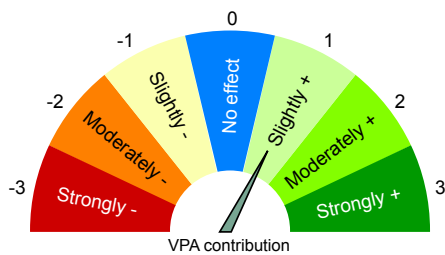


Figure 32. How much respondents felt the VPA contributed to an increase in the number of hectares under exploitation via a private certification system (N=80)

Despite the financial attractions of FSC certification, some respondents held the belief that “FSC cannot improve forest governance, but SVLK can”. They felt this was because FSC certification does not lead to compliance with requirements – if you do not comply, you simply lose your label. While with SVLK (i.e., the FLEGT license), if a licence holder does not comply with legal requirements, they are pursued; they therefore have to comply so as to continue with their economic pursuits. Law enforcement, however, remains a challenge in Indonesia, and so although this is true in theory, it is not yet completely the case in practice.

3.3 The economy

Key takeaways

- **The number of SMEs has increased since VPA ratification**, while no clear link has been made with the VPA.
- **The VPA has slightly contributed to some smallholders being pushed out of business through enforcing legality.**
- While all large industrial timber plantations were SVLK-certified in 2014, the **number of SVLK-certified SMEs remained relatively low (particularly among those operating only on the domestic market) but was increasing**. Although a supplier’s Declaration of Conformity (DKP) is an option for SMEs to legally comply, many SMEs choose to remain in the informal sector (mainly due to low cost-benefits of being SVLK certified, or due to lack of knowledge).
- The **VPA has slightly contributed to less disruption in the timber sector**, with a private forestry sector that is better organized than before VPA ratification.
- The VPA has **slightly contributed to better consideration of the opinion of SMEs** when decisions are taken concerning the forestry sector, and to a better recognition of SME associations in the Indonesian forestry sector.
- The VPA has contributed to **better informed SMEs and smallholders, when it comes to supporting them to operate legally**. It also contributed slightly to improving SMEs’ and smallholders’ technical capacity to operate legally. However, results show that **complying with legality is technically and financially constraining for SMEs and smallholders**.
- Respondents felt that **SMEs had reduced their impact on the environment**.
- The **VPA has slightly helped to improve SME access to the export market**, with approximately 35% of the volume of timber exported from Indonesia coming from SMEs at the time of survey.
- The **VPA has slightly contributed to a more efficient collection of forestry-related taxes** by the state. It was felt to have slightly contributed to reducing the ‘informal tax’ costs faced by SMEs, which is estimated to be 31% of operating costs.
- Respondents felt that the **VPA had slightly changed the labour market**. Although job opportunities increased because of more business and new types of jobs in the forestry sector, participants also felt the VPA made no clear contribution to improving employment as there are so many other influencing factors.
- Since VPA ratification, **job opportunities for local communities have tended to increase, as well as job opportunities for women, young people and marginalized groups**, but no clear link with VPA has been established.
- The **VPA has slightly improved working conditions in the forestry sector**. Since VPA ratification, workers in the forestry sector are better organized, have more secure jobs and have improved expertise.

The VPA process and FLEGT license were expected to have an impact on the local economy. This study focuses on small and medium economic actors in Indonesia; in particular we consider the impact on small and medium wood-processing enterprises (SMEs) and smallholders/tree planters. As such, we ask respondents similar questions so as to evaluate the impact on both SMEs and, separately, smallholders/tree planters. This section is divided into four subsections, in which different relevant indicators are described.

3.3.1 Forest sector dynamics

Most respondents felt the number of SMEs had increased (44%) or strongly increased (11%), and that the number of smallholders had increased (46%) or strongly increased (11%) since VPA ratification. FGDs highlighted that the number of SMEs is increasing because of strong economic growth in Indonesia. The VPA could be one of the drivers behind this increase in SME numbers, but it is certainly not the only one.

Survey respondents felt that the VPA had not pushed SMEs out of business, but it had slightly contributed to some smallholders being pushed out of business. This is partly confirmed by Maryudi and Myers (2018) who claim that “legality verification perpetuates the hegemony of large manufacturers and exporters by utilizing their know-how capacities and capitalizing on the inability of their smaller competitors to engage in legality verification”. While all large industrial timber plantations were SVLK-certified in 2014, far fewer small companies were SVLK-certified, especially those operating solely on the domestic market (TEREA 2016). This highlights the enormous SVLK-related challenges faced by small producers in Indonesia (EFI 2015). Despite the Supplier’s Declaration of Conformity (DKP) being an alternative way for SMEs to comply with legality, a lot of SMEs remain in the informal sector (mainly due to the low cost-benefits of being SVLK certified).

Respondents felt that the VPA had slightly contributed to less disruption in the timber sector; 80% of respondents also agreed or strongly agreed that the private forestry sector (i.e., SMEs and large industries) was better organized than before VPA ratification. SMEs indicated that their internal processes and business management had improved, and that they had better accounting and administration since they became SVLK-certified. SMEs were also now encouraged to work in associations.

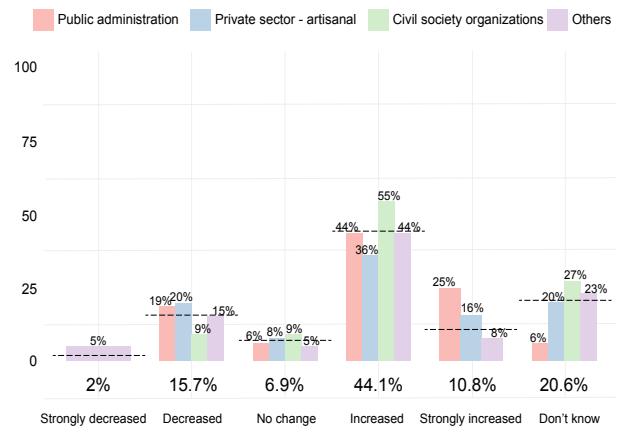


Figure 33. Evolution of the number of SMEs since VPA ratification (N=102)

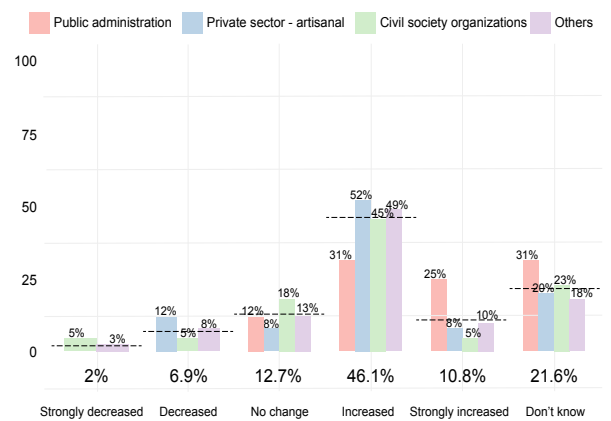


Figure 34. Evolution of the number of smallholders since VPA ratification (N=102)

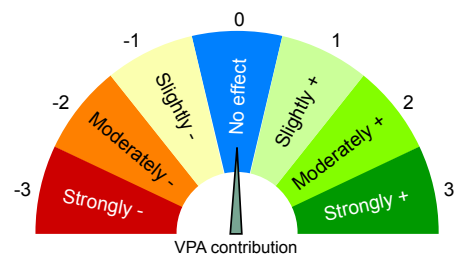


Figure 35. How much respondents felt the VPA contributed to squeezing some SMEs out of business (N=83)

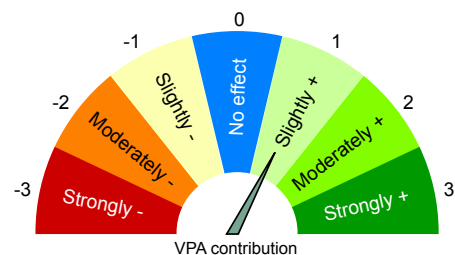


Figure 36. How much respondents felt the VPA contributed to squeezing some smallholders out of business (N=85)

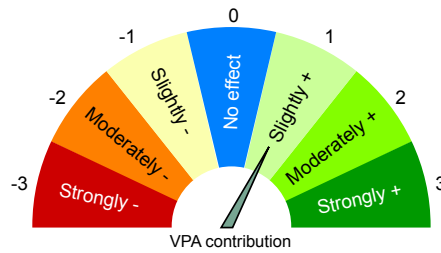


Figure 37. How much respondents felt the VPA contributed to less disruption in the timber sector (N=97)

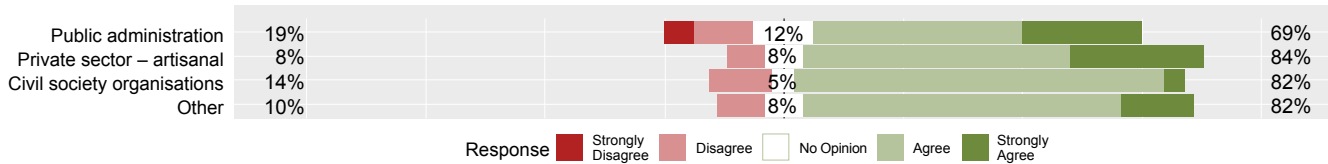


Figure 38. Statement on whether the private sector is better organized, since the start of the VPA process (N=102)

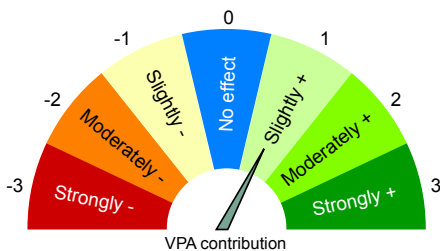


Figure 39. How much respondents felt the VPA contributed to better recognition of SME associations in the forestry sector in Indonesia (N=93)

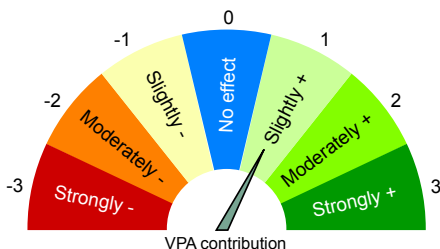


Figure 40. How much respondents felt the VPA contributed to better consideration of SME opinions in forestry sector-related decision making (N=91)

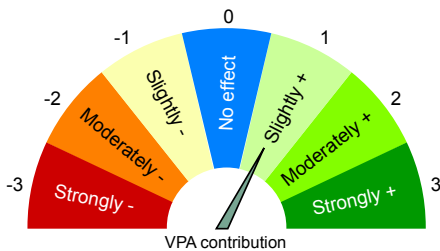


Figure 41. How much respondents felt the VPA contributed to better consideration of smallholders' opinions in forestry sector-related decision making (N=88)

Respondents felt that the VPA had slightly contributed to better recognition of SME associations in the forestry sector in Indonesia.

Finally, it was felt that the VPA had slightly contributed to better consideration of SME and smallholder opinions in forestry decision-making processes. This improvement is of the same magnitude (one step on a 0–5 scale) for SMEs and smallholders – SME opinions are strongly taken into account today, while they were given ‘moderate’ consideration before VPA ratification; while smallholders’ opinions are now moderately taken into account, as opposed to the weak consideration they received before VPA ratification. FGDs confirmed this survey result, though also flagged that there was room for improvement, as few concrete changes had been seen on the ground to reflect their concerns being considered (e.g., regarding cohesion of HS codes, length of the SVLK process).

3.3.2 SME organization and market

It was felt that the VPA had contributed to better informed SMEs and smallholders, when it came to supporting them to operate legally. Respondents considered that the VPA’s contribution to better information sharing was more important for SMEs (where it was considered to have made a moderate contribution) than for smallholders and tree planters (slight contribution).

Most respondents agreed or strongly agreed that information that was publicly available about the requirements and verification of legalities met the needs of SMEs (80%), and smallholders/tree planters

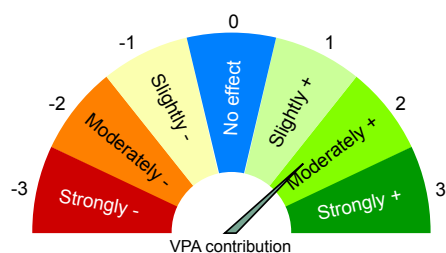


Figure 42. How much respondents felt the VPA contributed to making information more available for SMEs to help them to conduct their activities legally (N=95)

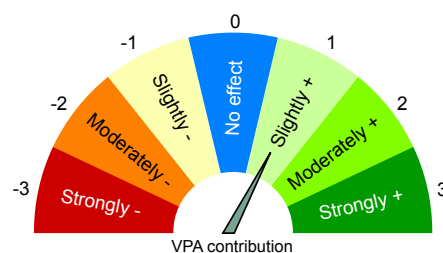


Figure 43. How much respondents felt the VPA contributed to making information more available for smallholders to help them to conduct their activities legally (N=94)

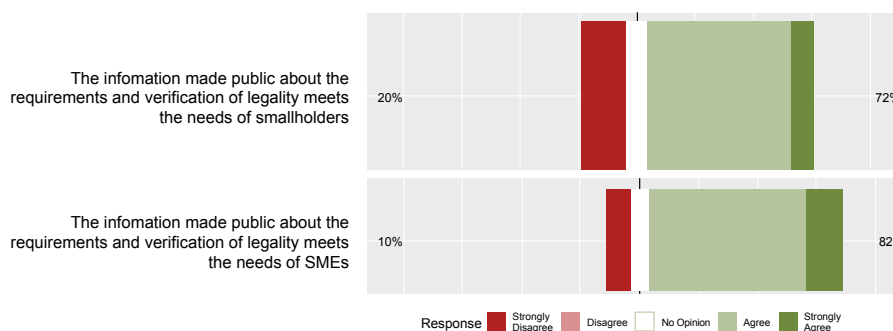


Figure 44. Statement on whether the relevance of information received by SMEs and smallholders to support them to comply with legality requirements (N=102)

(72%). According to FERN (2016, 2017), the VPA process improved transparency and access to information in Indonesia. FGDs also mentioned that smallholders now better understand legality requirements, just as most of SMEs met in the field were very much aware of the legality requirements, despite not finding them financially motivating enough to pursue.

Consistent with previous findings, respondents felt the VPA had slightly contributed to improving SMEs' and smallholders' technical capacity to legally operate.

Survey results show that complying with legality is technically and financially constraining for SMEs and smallholders (respectively, 75% and 68% of respondents agree/strongly agree). This last finding confirms what is found in the literature, mainly that

small producers face enormous challenges related to legality verification and formalization (EFI 2018). The main challenge reported in the literature is the disproportionate costs related to SVLK certification for SMEs, who do not see any significant benefits when complying, especially those operating on the domestic market (Nurrochmat et al. 2016; Maryudi and Myers 2018; Susilawati et al. 2019). For smallholders, the costs of legality requirements are too high to be borne individually, as farmers usually regard their trees as savings or a safety net and sell a limited number of trees (Maryudi et al. 2015). Setyowati and McDermott (2017) claim that while, in theory, formalization can strengthen less powerful actors by integrating informal rights into formal law, in practice, such actors lack the needed social and economic capital to claim their rights.

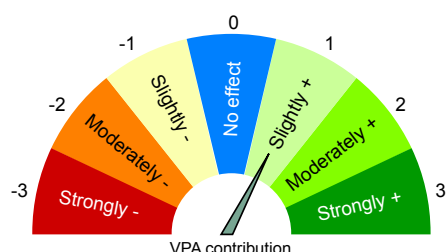


Figure 45. How much respondents felt the VPA contributed to improving the technical capacity of SMEs to conduct their activities legally (N=94)

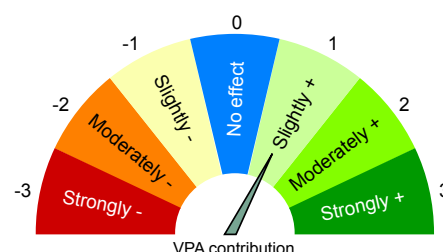


Figure 46. How much respondents felt the VPA contributed to improving the technical capacity of smallholders to conduct their activities legally (N=92)

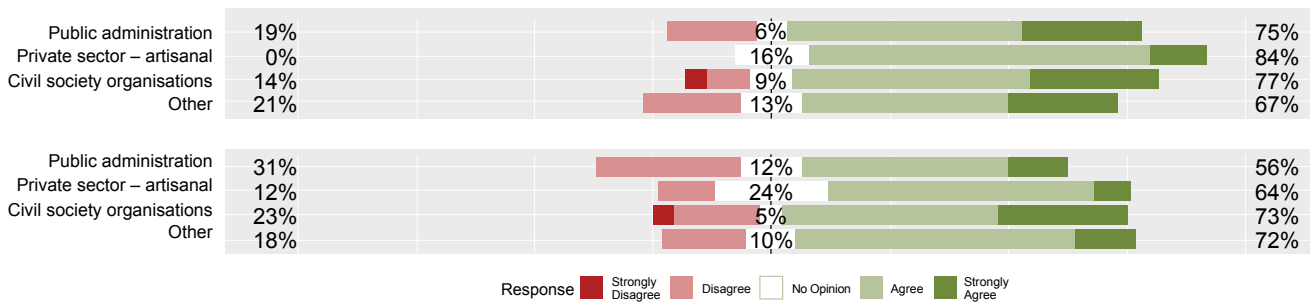


Figure 47 - Statement on whether the processing of legal timber is technically and financially too constraining for SMEs (top) and smallholders (bottom) (N=102)

FGD participants also confirmed that complying with legality requirements is costly for SMEs and smallholders, while large companies have no difficulties complying with the law and regulations, as they are well-established with sufficient resources. Costs mentioned by SMEs related to auditing, administration, time consuming processes, and other regulations they need to comply to (e.g., ensuring labour and safety conditions).

Respondents perceived the SVLK/FLEGT license requirements to be (i) lengthy (due to the time needed to get documents approved, as governmental staff to undertake verification checks are lacking, particularly at decentralized level); and (ii) costly, leading to either less business, or – at most – no gain, no loss. “For SMEs, if legality compliance was not mandatory, they would not go for it since it adds costs without bringing any added value”.

Though the government supported SMEs to become SVLK certified, very few then renewed their certificates. Yet, FGDs did reveal a few SME success stories; that legal certification allowed more exports to EU and increased their reputation, for example.

Thanks to better information and capacity, **most respondents (strongly) agreed that SMEs and smallholders/tree planters had reduced their environmental impact** (72% for SMEs and 63% for smallholders/tree planters).

If we look at the export market for SMEs, results show that, on average, the **VPA was felt to have slightly contributed to access to the export market**. The share that SMEs held in the Indonesian export market, on average, increased from 30% (before VPA ratification) to 35% (today).

Interestingly, Figures 49 and 50 below show two results:

- Respondents tended to say that, on average, exports to the European Union, United States and Australia more or less remained the same in both

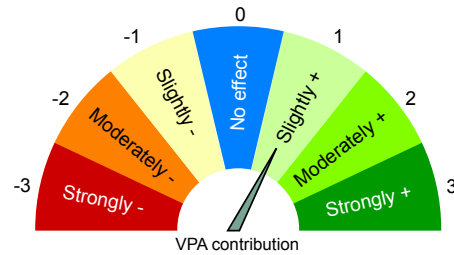


Figure 48. How much respondents felt the VPA contributed to improving SMEs access to the export market (N=83)

primary and secondary markets (comparing the current situation to before VPA implementation).

- The domestic market for SMEs has strongly increased, both as a primary and a secondary market, if the current situation is compared to that prior to VPA ratification.

This confirms what is suggested in the literature, mainly that the VPA seems to hinder small producers’ engagement in the global market. As mentioned earlier, small operators and artisanal producers that still aspire to global markets face disproportionate challenges engaging in legality. They also report experiencing fierce competition in global markets with cheaper products from other exporting countries which do not impose the same legality (Maryudi and Myers 2018). At the end of 2015, SMEs could issue a self-declaration legality document (instead of having the V-Legal document); however, this was then no longer accepted by the EU, as such these SMEs could no longer export (Susilawati et al. 2019). The above literature findings were confirmed by many respondents during FGDs.

Discussions about the link between the FLEGT license and Indonesia increasing its exports to the European Union were lively. First, most tended to agree that since the FLEGT license was in place, there has been no significant increase in demand from the EU for specific legal wood products from Indonesia, even if Indonesia is the only country to have the FLEGT license. Second,

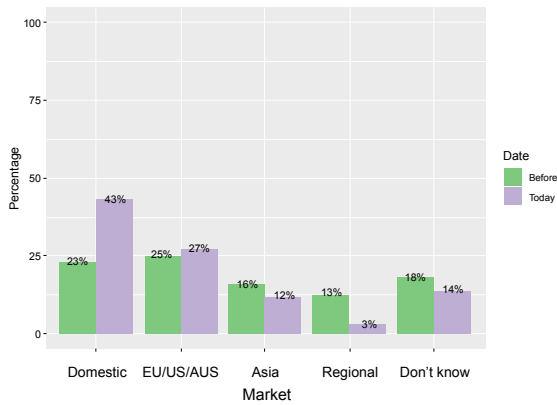


Figure 49. Primary market for SMEs (N=102)

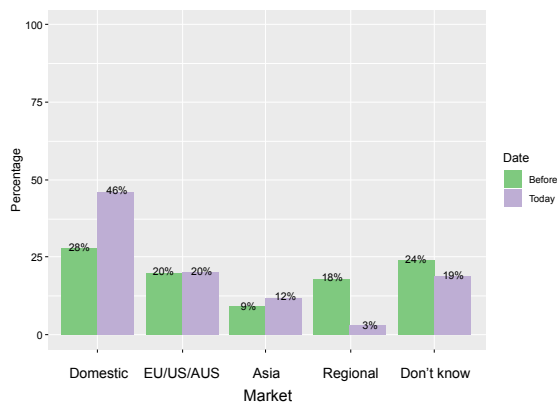


Figure 50. Secondary market for SMEs (N=102)

producers cannot charge a price premium for legal wood products as there is no willingness to pay higher prices for FLEGT-certified wood (unlike with FSC wood products, as stated earlier). Third, respondents agreed that awareness raising in Europe is needed to strengthen market demand for FLEGT-certified wood. Fourth, there was also clear convergence of opinion that Europe should marketize FLEGT, with a FLEGT label and promotional messages. Fifth, some respondents thought that Indonesia suffers from unfair competition as neighbouring countries still export a lot to the EU without the additional cost of certification. Finally, SMEs are also hindered by competition with large-scale enterprises which are both vertically integrated and meet the mechanized production requirements of international buyers. Small-scale companies cannot compete with them as they are unable to meet the scale of demand expected by international buyers; as such, the increase in exports benefits large companies more than SMEs.

3.3.3 Taxes and redistribution

On average, it was felt that the VPA had slightly contributed to more efficient tax collection by the state in the forestry sector. Forestry tax revenues

had increased since VPA ratification, although there remains room for improvement, with respondents highlighting that the government managed to collect just a moderate amount of the forestry sector tax due, compared to the small amount it collected before VPA ratification. Few respondents reacted on this indicator during FGDs, so there are no significant insights to elaborate on this issue.

Regarding bribery payments, respondents felt the VPA had slightly contributed to reducing the informal taxes paid by SMEs. There appears to be a small decrease in the number of bribes requested of SMEs: respondents estimated that, at the time of the study, 31% of the operating costs faced by SMEs were informal taxes, while before VPA ratification this was 42%. CS actors tended to be less optimistic than the public administration group on this issue. This finding is consistent with the literature: Situmorang et al. (2015) suggest that bribery accounted for 40% of all production costs in the forestry sector. Collecting anecdotal evidence on the issue of bribery was not an easy task in FGDs. Most respondents said corruption had decreased and was relatively low among SME activities. Some respondents mentioned the higher probability of bribes at decentralized level, essentially to ease the process (to get the correct documentation, stamps, etc.) as well as corruption linked to strategies to legalize wood; though others even mentioned corruption at the level of verification bodies.

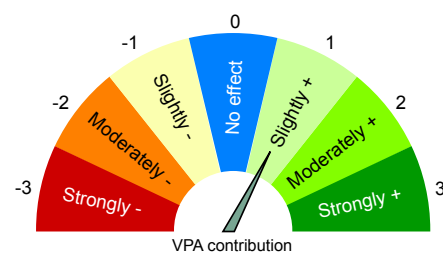


Figure 51. How much respondents felt the VPA contributed to more efficient tax collection by the state in the forestry sector (N=76)

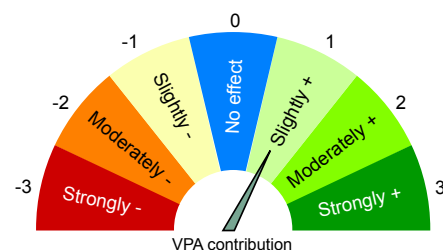


Figure 52. How much respondents felt the VPA contributed to reducing the 'informal tax' costs faced by SMEs (N=71)

3.3.4 The forestry sector labour market

On average, the VPA was considered to have slightly changed the forestry sector labour market. 40% of respondents felt that forestry related job opportunities had increased since VPA ratification. However, almost a quarter of respondents did not know how the labour market had evolved since VPA ratification, especially those from public administration.

Most respondents thought job opportunities had increased because of more business and new types of jobs. FGD participants mentioned that the VPA had made no clear contribution to improving employment, as there were many other influencing factors. Some respondents explained that SMEs and large companies needed to hire more people to carry out SVLK related administration.

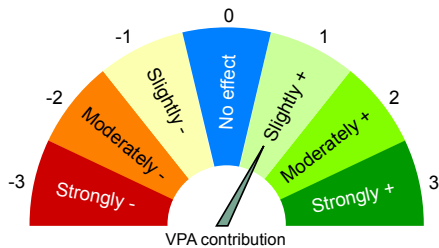


Figure 53. How much respondents felt the VPA contributed to changing the forestry labour market (N=76)

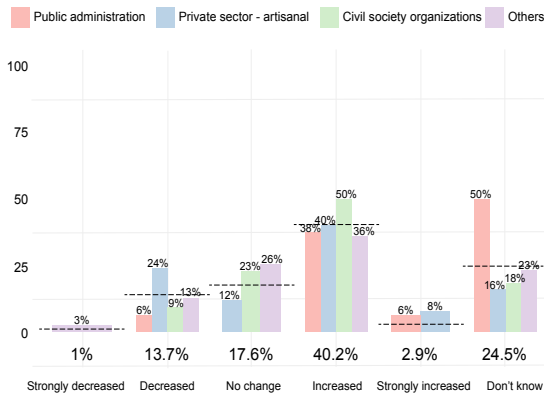


Figure 54. Evolution of job opportunities in the forestry sector (N = 102)

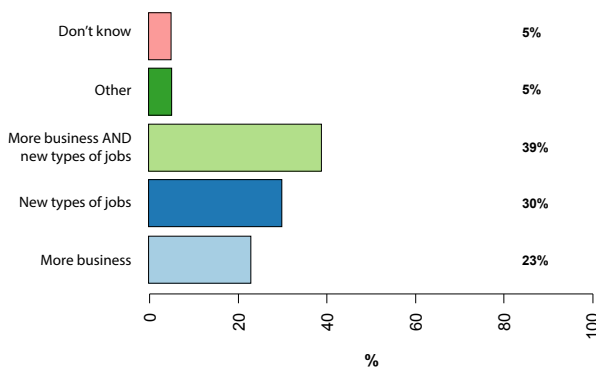


Figure 55. Reasons behind the increase in job opportunities in the forestry sector (N=102)

Nearly half felt job opportunities for LC & IPs had increased (44%) or not changed (28%) since VPA ratification. Again, 16% did not know, particularly public administration actors. 35% of respondents felt that job opportunities had not changed for women, young people and marginalized groups, while 30% thought they had increased.

Regarding working conditions, respondents felt that the VPA had slightly improved working conditions in the forestry sector, with actors from the 'others' group considering this improvement to be greater than CS actors.

Many respondents (strongly) agreed (62%) that workers in the forestry sector had become better organized since VPA ratification. Most respondents (56%) also (strongly) agreed that workers in the forestry sector now had access to more secure jobs. FGD participants expressed that the VPA had made no clear contribution to improving working conditions in the forestry sector; regulations (regarding safety, child labour, etc.) were already in force before VPA ratification. Although the SVLK requiring compliance with all labour legislation should, in theory, play a

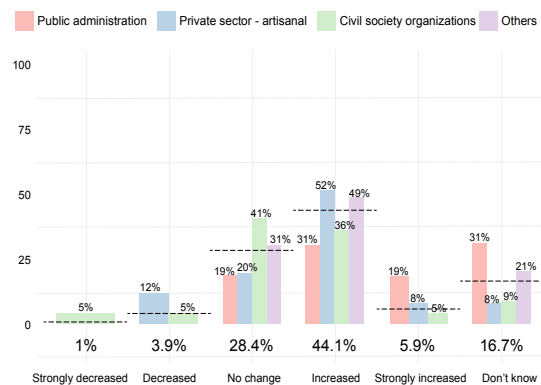


Figure 56. Evolution of job opportunities for LC & IPs in the forestry sector (N=102)

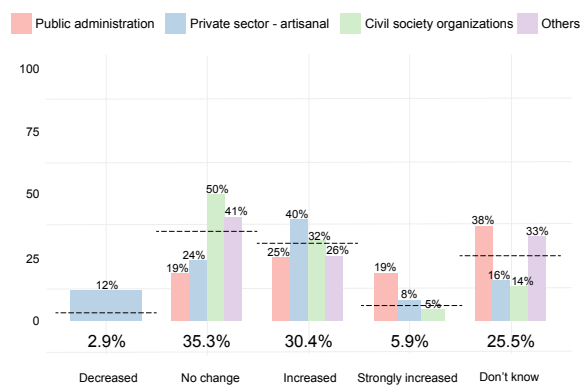


Figure 57. Evolution of job opportunities for women, young people and marginalized groups (N=102)

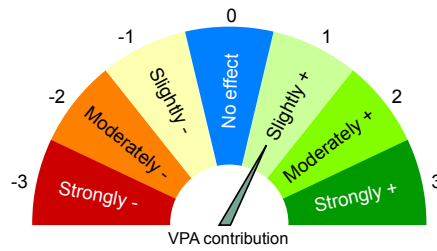


Figure 58. How much respondents felt the VPA contributed to improving working conditions in the forestry sector (N=91)

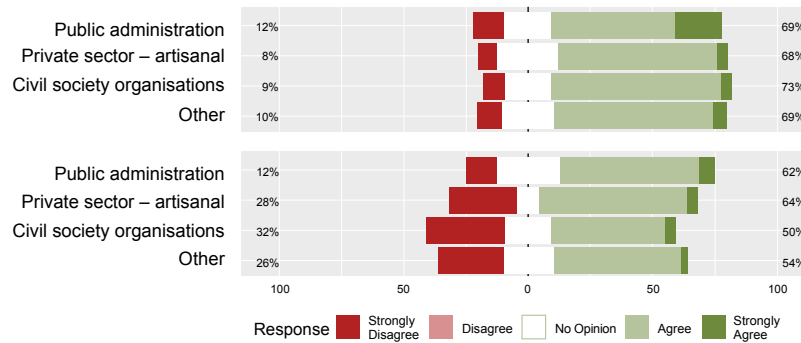


Figure 59. Statements on whether the curricula of training institutions better integrates subjects related to legality and sustainable forest management (SFM), and on better expertise of workers in the forestry sector, since the start of the VPA process (N=102)

role in improving labour conditions in the forestry sector, it is not sufficiently enforced to make a difference in practice.

Concerning the evolution of curricula and the level of expertise held by forestry sector actors, results revealed the following:

- Most respondents (strongly) agreed (70%) that the curricula of training institutions now better integrate subjects related to legality and sustainable forest management than before VPA ratification. This theme was raised just

once by FGD participants who stated that, “there are no curricula improvement initiatives”, almost contradicting the survey results.

- More than half of the respondents (strongly) agreed (57%) that workers in the forestry sector now have better expertise than before VPA ratification. Yet, a quarter (strongly) disagreed with this statement. Focus group participants stated that skill requirements to work in the forestry sector were now higher, though they did not see how that was potentially linked to the VPA process.

3.4 Governance

Key takeaways

- **CS is now better organized** than it was before VPA ratification, and the **VPA has slightly contributed to increasing CS's autonomy in its role** as an independent observer in the forestry sector, and **moderately contributed to more effective independent observation** in the forestry sector.
- Although multi-stakeholder dialogue began when SVLK was initiated, **the VPA has contributed to maintaining the focus on the importance of multi-stakeholder consultation.**
- **Since VPA ratification, the opinions of private sector, local community and CS actors have been taken into consideration more often in forestry sector related decision-making processes.** That said, respondents felt that it was still taking time to see concrete measures as a result of these consultations.
- **Information made public is more relevant than it was before VPA ratification**, and all types of actors seem to be **more aware of the consequences of poor governance** in the forestry sector.
- The VPA has moderately contributed to making the **government more accountable** for its actions, as well as to **improving transparency** in Indonesia's forestry sector.
- The VPA has only slightly contributed to **greater coherence in the sector's legal and regulatory framework.** However, coordination between the different ministries involved in the forestry/wood sector seems to be lacking.
- Laws and regulations have been improved, but **law enforcement remains a real challenge** on the ground.
- The three main causes of noncompliance with laws and regulations are **lack of coordination between government agencies, conflict of interests, and the existence of too many regulations.**
- The VPA has slightly contributed to **improving political will to fight corruption**, and **the level of corruption in the forestry sector has decreased more than in other sectors** since VPA ratification.
- The VPA has slightly contributed to **more enforcement of sanctions outlined in the law and to making these more credible in the forestry sector.** Although progress has been made in the application of sanctions (especially for severe irregularities), respondents felt much more improvement was needed.

3.4.1 Forest governance

One of the primary intended impacts of FLEGT-VPA was to decrease illegal logging through improving forestry sector governance; among other things, by giving CSOs a central watch dog role, promoting multi-stakeholder dialogue, providing more information, improving transparency and accountability, and improving regulations. Results relating to these dimensions are found below.

"Before SVLK/VPA, illegal logging was common and done openly; today, you need to hide. It is becoming very risky to practice illegal logging, but it does still exist"¹⁴

In the literature, it is widely acknowledged that substantial improvement has been made in Indonesian forestry governance since 2003, and that

without the FLEGT Action Plan, far less would have been achieved (TEREA 2016; EFI 2018). However, considerable improvements to Indonesian forestry governance are still required (FERN 2016).

Civil society's role

Most respondents agreed or strongly agreed (65%) that **CS is now better organized than it was before VPA ratification.** Respondents felt that the **VPA had slightly contributed to increasing CS autonomy in its role as an independent observer for the forestry sector**, but that CS autonomy was moderate before VPA ratification and remained moderate after. Indeed, FGD participants expressed that CS already had autonomy and the role of independent observer before VPA ratification, though they felt that VPA implementation had encouraged CS to remain active in this role.

¹⁴ This quote was taken from one FGD but reflects numerous other quotes with the same meaning.

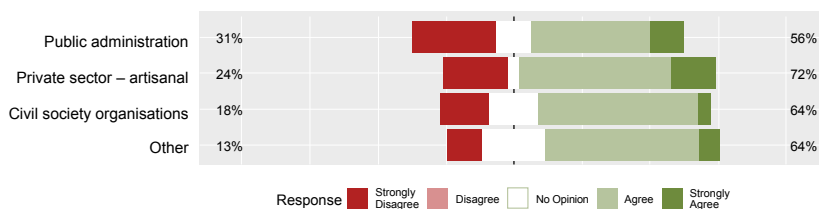


Figure 60. Statement on whether civil society is better organized, since the start of the VPA process (N=102)

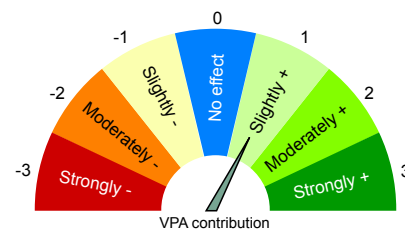


Figure 61. How much respondents felt the VPA contributed to improving civil society's autonomy in its role as an independent observer (N = 86)

It was felt that the VPA had moderately contributed to more effective independent observation (undertaken by CS) in the forestry sector. The effectiveness of independent observation seems to have increased; this was weak before VPA ratification and at the time of survey was considered moderate (with a change magnitude of 1.51 on a scale of 0 to 5). CS's role as an independent monitor began in 2010 through the creation of the Independent Forest Monitoring Network (JPIK), which checks whether SVLK is being properly implemented (TEREA 2016). FGDs confirmed that CS does indeed play this role, and that it was sometimes risky on the ground.

Most respondents (80%) agreed or strongly agreed that the work of independent observation contributes to a reduction in acts of corruption. However, corruption remains deeply entrenched in Indonesia's forestry sector (Setyowati and McDermott 2017). FGD

participants also held that corruption had decreased a lot over the years, though "corruption is still there" and remain an issue at various levels, especially at decentralized levels.

Finally, the VPA was considered to have only slightly contributed to better consideration of CS perspectives in forestry related decision making. Respondents felt that CS opinions were not considered much more than they were before VPA ratification (being only moderately taken into account in decision-making processes). According to the literature, the VPA has given CS a place at the negotiation table and an increased capacity to raise their voice on key issues (FERN 2011; TEREA 2016). Although FGD participants confirmed this, they felt that despite the good levels of exchange during multi-stakeholder dialogue sessions, there was not much government follow up to improve regulations or fine illegalities (especially in small cases).

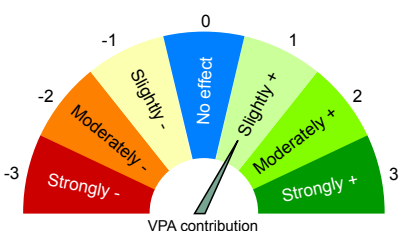


Figure 62. How much respondents felt the VPA contributed to more effective independent observation (carried out by civil society) in the forestry sector (N= 89)

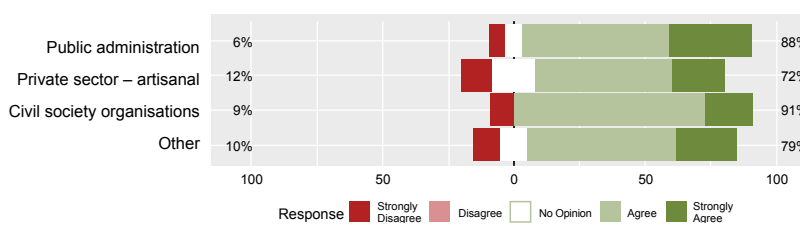


Figure 63. Statement on whether the work of independent observation contributes to reducing forestry sector corruption, since the start of the VPA process (N=102)

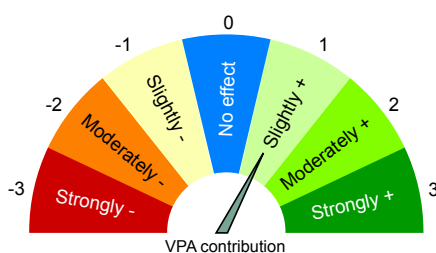


Figure 64. How much respondents felt the VPA contributed to increased consideration of civil society views in forestry sector-related decision making (N=88)

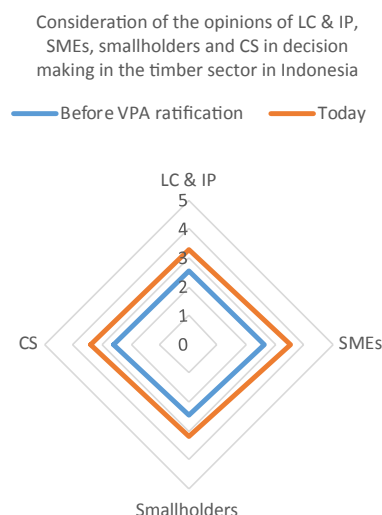


Figure 65 - Extent to which the opinions of CS, LC & IP, SMEs and smallholders have been considered in the forest sector's decision making over time (N=93)

Figure 65, below, shows that various stakeholders' opinions are now given more consideration in forestry decision-making processes than they were before VPA ratification.

Information, transparency and accountability

Respondents from all categories felt that publicly available information was more relevant now than it was before VPA ratification. However, FGD participants highlighted that although available information was relevant, a lot of information is not yet publicly available.

Interestingly, as a result of increased information access and capacity building, all types of actors seem to be more aware of the consequences of poor governance in the forestry sector than before VPA ratification.

It was felt that the VPA had moderately contributed to making the government more accountable for its actions in the forestry sector, as well as to improving transparency in the forestry sector in Indonesia.

Respondents felt transparency was weak before VPA ratification but was moderate at the time of study. These findings are consistent with what is stated in the literature. According to FERN (2018), although the FLEGT-VPA process improved transparency, access to information to support and facilitate SVLK monitoring activities remained weak, and much of the data to be published was still unavailable. FGD participants confirmed significant improvements had been made in transparency and accountability, but it was also recognized that some stakeholders wished to see more information being made publicly available,

and that it takes time to move things forward. However, it was highlighted that any individual can make a formal request to the Ministry of Environment and Forestry (MoEF) to receive the information they are looking for.

Respondents felt that the VPA had slightly contributed to greater coherence in the forestry sector's legal and regulatory framework. Nevertheless, SVLK standards have still led to redundant administrative procedures in the management of forestry and the timber trade, due to the multiple existing forest governance regimes (Maryudi 2016). Likewise, "the SVLK does not capture

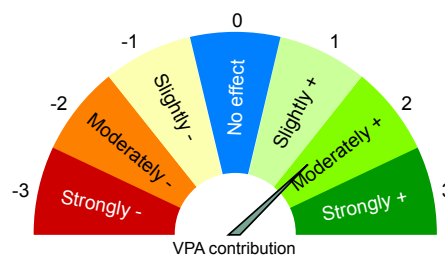


Figure 66. How much respondents felt the VPA contributed to making the government more accountable for its actions (N=93)

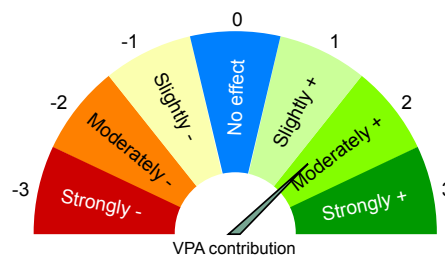


Figure 67. How much respondents felt the VPA contributed to improving transparency in the forestry sector (N=94)

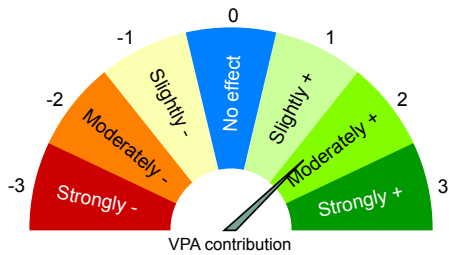


Figure 68. How much respondents felt the VPA contributed to greater coherence in the forestry sector’s legal and regulatory framework (N=91)

all relevant regulations and is severely limited by capacity constraints” (Derous and Verhaeghe 2019). There are also coordination and coherence issues between ministries, as well as between central and local governments (FERN 2018) which create regulatory difficulties (Nurrochmat et al. 2016). This lack of coordination between ministries, lack of coherence between central and local government, and administrative burdens were all highlighted by FGD participants.

Governance index (FERN)

Some of our survey questions were incorporated to replicate those of the FERN governance index (2016), developed based on the FAO-PROFOR framework guidelines for assessing and monitoring forest governance (2011). Questions addressed accountability, government coordination, participation, capacity, transparency and the legal framework/justice using a scale of 0 (extremely poor, non-existent) to 5 (very good), based against a corresponding statement¹⁵ that respondents thought best matched the situation in Indonesia. This index gives another picture of the status of governance in Indonesia’s forestry sector.

As outlined in Figure 71 below, when results are compared between the 2016 FERN and our 2019 study, the picture seems less positive than the results described above. This could be explained by the fact that the sample from 2016 was very different from this 2019 one (we only know that the 2016 study sampled just a few respondents). As such, survey results using the same sample of respondents to compare the situation before VPA ratification and today are much more valid than comparing the FERN 2016 results against those found in this study. Interestingly, however, our 2019 results are consistent with the results described earlier in this section.

2019 results reflect the following findings:

- **A decrease in participation;** respondents felt that CS ty and local communities participated in forestry sector discussions, but that their opinions were not yet properly considered in decision-making processes.
- **A decrease in capacity;** respondents felt that government, CS and local communities “have reasonable time, skill, knowledge, experience and resources to act, but could improve on most areas”.
- **A decrease in transparency;** respondents remarked that “most information is available on request [in] a reasonable time frame, some information [is] habitually published”.
- **A slight increase in accountability;** the answer, “channels for reporting infractions and corruption exist and are being used but results are not timely and follow-up action is rare/non-existent” was seen as the most relevant choice to describe the current reality in Indonesia.
- **No change in legal justice.** Respondents tended to feel that “laws are being reformed, but the process is far from complete and generally not implemented.”
- **No change in government coordination.** Respondents chose the option, “information sharing between ministries does not happen with some coordination between national and forest policies, but in practice difference agencies regularly work in silos”.

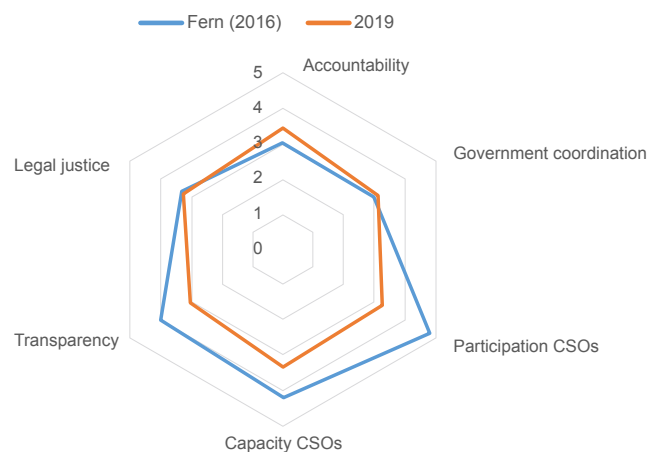


Figure 69. FERN governance index results reflecting diverse aspects of forestry governance in Indonesia (N=90)

¹⁵ Statements are available in the FERN report (2016).

3.4.2 Law enforcement and challenges

Law enforcement is a key aspect in both the fight against illegal logging on the ground, and corruption within the forestry sector. Indonesia appears to have seen a decrease in illegal logging and in illegal forestry activities since implementation of the SVLK and FLEGT-VPA processes (see Section 3.2.1). However, illegal activities like these have not completely disappeared, among other things, due to the complexity of the forestry sector, the money involved, and law enforcement challenges.

Potential causes for ineffectiveness of law enforcement

In all FGDs, participants acknowledged the fact that regulations and laws had improved, but that law enforcement was a significant challenge for Indonesia (across a lot of sectors).

According to survey respondents, the three main causes of non-compliance with laws and regulations are:

- lack of coordination between government agencies
- conflict of interest issues
- the existence of too many regulations.

Corruption in the forestry sector

Although law enforcement is a real issue, survey results indicate that **corruption levels within the forestry sector appear to have decreased more than in other sectors since VPA ratification** (60% agreed or strongly agreed). However, interestingly, almost a third of CS respondents disagreed or strongly disagreed with this statement (Figure 73).

Nearly half the respondents disagreed or strongly disagreed (46%) that bureaucracy related to the VPA process had created new opportunities for corruption. Yet, a quarter of respondents believed the opposite; a belief especially prevalent within the artisanal private sector group, who may be the most exposed (see also Section 3.3.3). This is consistent with the literature, where the SVLK is said to have been “reduced to a system of administrative checklists where the focus on documentation ignores the issue of whether concessions, transport permits, or other documents were issued through corrupt practices” (Setyowati and McDermott 2017). Many FGD participants confirmed these literature findings.

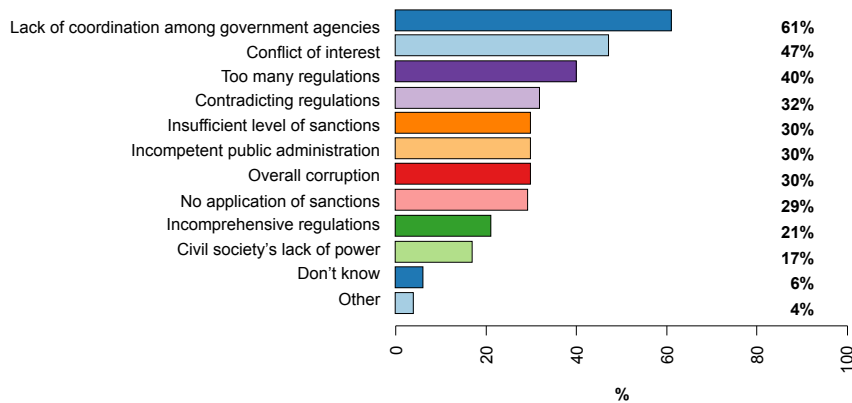


Figure 70 - Causes of non-compliance with laws and regulations (N=102)

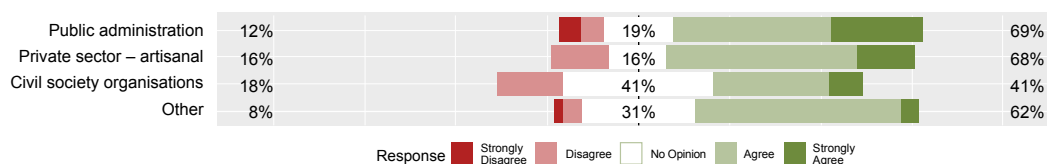


Figure 71. Statement on whether the level of corruption in forestry sector has decreased since the start of the VPA process (N=102)

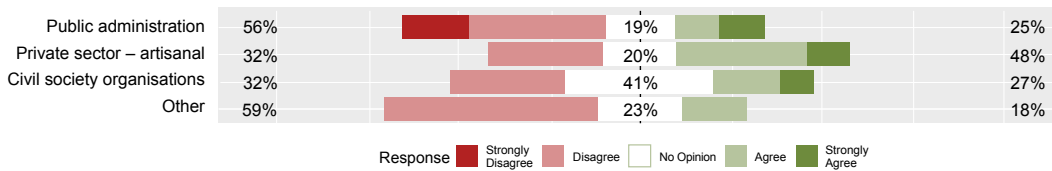


Figure 72. Statement on whether the bureaucracy related to the VPA process has created new opportunities for corruption, since the start of the VPA process (N=102)

Political will

On average, respondents felt that the VPA had slightly contributed to improving political will to fight corruption in the forestry sector. Interestingly, both the public administration and artisanal private sector groups believed that the VPA had made a stronger contribution (i.e., ‘moderate’) to improving political will to fight corruption.

Overall, political will to fight corruption in the forestry sector was seen to have increased from being weak before ratification to ‘moderate’ at the time of study. Artisanal private sector and CS respondents were less optimistic about the level of political will to fight corruption than public administration and ‘other’ respondents, but most respondents agreed or strongly agreed (68%) that political will exists to prioritize forestry sector development as much as the development of other sectors.

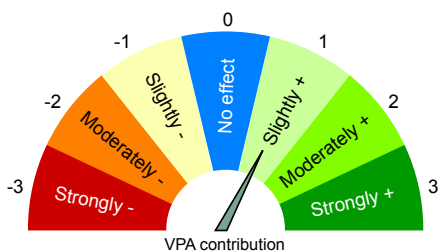


Figure 73. How much respondents felt the VPA contributed to improving political will to fight corruption (N=87)

Application of sanctions

On average, respondents felt that the VPA had slightly contributed to better enforcement of sanctions outlined in the law. Respondents considered sanctions to be poorly applied in the forestry sector before VPA ratification, while they believed they were occasionally enforced after. The Independent Forest Monitoring Network (JPIK) claims that the government should strengthen law enforcement by imposing sanctions when certain obligations are not fulfilled (FERN 2018). Artisanal private sector respondents saw the application of sanctions more negatively than respondents classified as ‘other’. FGDs revealed that there was no follow up for small irregularities, only big violations of the laws were pursued and fined.

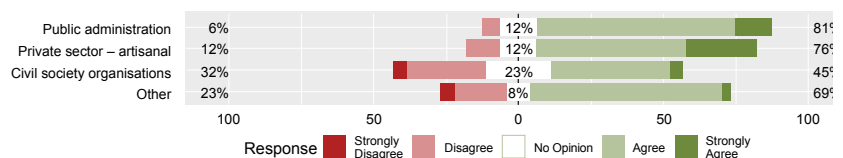


Figure 74. Statement on whether there is political will to fight corruption in the forestry sector (N=102)

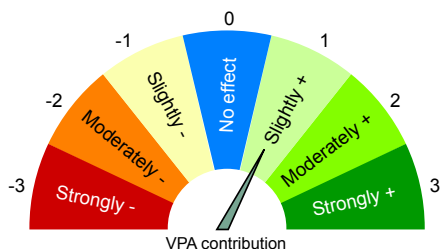


Figure 75. How much respondents felt the VPA contributed to better enforcement of sanctions outlined in the law (N=87)

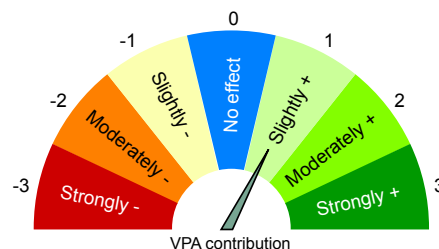


Figure 76. How much respondents felt the VPA contributed to helping make sanctions more credible in the forestry sector (N=88)

The VPA was seen to have slightly contributed to making sanctions more credible in the forestry sector. Yet, according to Susilawati et al. (2019), small timber producers still lack awareness of SVLK requirements and have no sense of the risks associated with non-compliance. The authors claim that “there is clearly a need to build awareness of the compliance requirements of SVLK for all actors involved in the value chain, perhaps complemented by exemplary sanctions of actors who persist in non-compliance”. FGD participants raised that decentralized government also lack knowledge of SVLK, and hence of appropriate sanctions. Representatives of large companies in the FGDs mentioned that illegal practices have become very risky at their level, due to severity of imposed sanctions. Other respondents also shared that (very) few companies were sanctioned in relation to the number of denounced irregularities (mostly in SMEs but also in large companies), while others were proud to highlight that they knew of cases in which sanctions had been applied.

3.5 Final answers and additional comments from survey respondents

Many respondents (67%) thought that the VPA process in Indonesia had inspired other processes (while 13% thought it had not, and 21% did not know one way or another). The Indonesian Sustainable Palm Oil (IPSO) certification was mentioned as a process inspired by the VPA by a substantial share of respondents in all groups; “REDD+”, “certification in the tourism sector” and “regulation on housing/settlement” were also mentioned. Public administration and ‘other’ respondents also indicated that “the VPA process inspired cooperation with other countries such as Australia, United States, Canada [and] Japan related to timber legality”. Finally, the “Ministry of Marine Affairs [was] inspired to create fishery certification that complies with the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications”.

Almost all respondents (strongly) agreed (93%) that being involved in a VPA process gave Indonesia a positive image and helped the country to be considered a reliable business partner. This was confirmed many times during FGDs.

Annexes

Annex I. Bibliography

1. Derous, M., & Verhaeghe, E. (2019). When P stands for politics. The role of the EU in the VPAs: A research agenda. *Forest Policy and Economics*, 101, 81–87.
2. EFI (2014). *2014 VPA progress and achievements, Final Report*.
3. EFI (2015). *2015 VPA progress and achievements, Final Report*.
4. EFI (2016). *2016 VPA progress and achievements, Final Report*.
5. EFI (2017). *2017 VPA progress and achievements, Final Report*.
6. EFI (2018). *2018 VPA progress and achievements, Mid-term Report*.
7. Erbaugh, J. T., Nurrochmat, D. R., & Purnomo, H. (2017). Regulation, formalization and smallholder timber production in northern Central Java, Indonesia. *Agroforest Systems*, 91, 867–880.
8. Fern (2010). *Forest Watch Special Report – Update report on FLEGT Voluntary Partnership Agreements*, February 2010.
9. Fern (2011). *Forest Watch Special – VPA Update*, May 2011.
10. Fern (2011). *Forest Watch Special – VPA Update*, November 2011.
11. Fern (2012). *Forest Watch Special – VPA Update*, May 2012.
12. Fern (2012). *Forest Watch Special – VPA Update*, November 2012.
13. Fern (2013). *Forest Watch Special – VPA Update*, May 2013.
14. Fern (2013). *Forest Watch FLEGT Update*, November 2013.
15. Fern (2014). *Forest Watch FLEGT Update*, June 2014.
16. Fern (2014). *Forest Watch FLEGT Update*, November 2014.
17. Fern (2015). *Forest Watch Special – VPA Update*, June 2015.
18. Fern (2015). *FLEGT: Review, Review, Review, and then act?* FLEGT VPA Update, Logging Off, Dec. 2015.
19. Fern (2016). *Indonesia to issue world’s first FLEGT licenses*. FLEGT VPA Update, Logging Off, Nov. 2016.
20. Fern (2017). *The future of FLEGT – what will the EU prioritise?* FLEGT VPA Update, Logging Off, June 2017.
21. Fern (2017). *VPA Update: A year on from FLEGT licensing*, Logging Off, Nov. 2017.
22. Fern (2018). *Rooting for change*, FLEGT VPA Update, Logging Off, June 2018.
23. Fern (2018). *Transparency and the timber trade: under construction*. FLEGT VPA Update, Logging Off, Dec. 2018.
24. Fishman, A., & Obidzinski, K. (2015). Verified Legal? Ramifications of the EU Timber Regulation and Indonesia’s Voluntary Partnership Agreement for the Legality of Indonesian Timber. *International Forestry Review*, 17(1), 10–19.
25. FLI (2016). *Risk Tool – Indonesia*. <https://forestlegality.org/risk-tool/country/indonesia#tab-resources>, August 2016.
26. Lubis, M., Suharjo, B., Nuralina, R., & Purnomo, H. (2018). Effect of Forest Law Enforcement Governance and Trade License on Competitiveness of Indonesian Wooden Furniture in the European Union Market. *International Journal of Management and Economics Invention*, 4, 1936–1942.
27. Maryudi, A., Kurniawan, H., Siswoko, B., Andayani, W., & Murdawa, B. (2017). What do forest audits say? The Indonesian mandatory forest certification. *International Forestry Review*, 19(2), 170–179.
28. Maryudi, A., Nawir, A. A., Permadi, D. B., Purwanto, R. H., Pratiwi, D., Syofii, A., & Sumardamto, P. (2015). Complex regulatory frameworks governing private smallholder tree plantations in Gunungkidul District, Indonesia. *Forest Policy and Economics*, 59, 1–6.
29. Maryudi, A. (2016). Choosing timber legality verification as a policy instrument to combat illegal logging in Indonesia. *Forest Policy and Economics*, 68, 99–104.
30. Maryudi, A., & Myers, R. (2018). Renting legality: How FLEGT is reinforcing power relations in Indonesian furniture production networks. *Geoforum*, 97, 46–53.
31. MoEF (2018a). Ministry of Environment and Forestry. 2018. The state of Indonesia’s forests 2018. Jakarta, Indonesia : Ministry of Environment and Forestry.
32. MoEF (2018b). Ministry of Environment and Forestry. 2018b. Statistics of the Ministry of Environment and Forestry 2017. Jakarta, Indonesia : MoEF.
33. Nurrochmat, D. R., Dharmawan, A. H., Obidzinski, K., Dermawan, A., & Erbaugh, J. T. (2016). Contesting national and international forest regimes: Case of timber legality certification for community forests in Central Java, Indonesia. *Forest Policy and Economics*, 68, 54–64.

34. Setyowati, A., & Mcdermott, C. L. (2016). Commodifying Legality? Who and What Counts as Legal in the Indonesian Wood Trade. *Society & Natural Resources*, 30(6), 750-764.
35. Susilawati, D., Kanowski, P., Setyowati, A. B., Resosudarmo, I. A., & Race, D. (2019). Compliance of smallholder timber value chains in East Java with Indonesias timber legality verification system. *Forest Policy and Economics*, 102, 41-50.
36. TERA (2016). *Evaluation of the EU FLEGT Action Plan (Forest Law Enforcement Governance and Trade) 2004-2014*.
37. TERA (2016). *Evaluation of the EU FLEGT Action Plan (Forest Law Enforcement Governance and Trade) 2004-2014 Annexes*.
38. Wibowo, A., Pratiwi, S., & Giessen, L. (2018). Comparing management schemes for forest certification and timber-legality verification: Complementary or competitive in Indonesia? *Journal of Sustainable Forestry*, 38(1), 68-84.
39. World Bank, (2019). Forest area (% of land area). FAO, electronic files and website. <https://data.worldbank.org/indicator/AG.LND.FRST.ZS?locations=ID>

Annex II. Field mission agenda

Day 1. Monday 22 April

AM	Focus group discussion (FGD) with a group of CSOs in Jakarta.
PM	FGD with a group of international organizations and collaborators.

Day 2. Tuesday 23 April

AM	FGD with a group of business associations.
PM	FGD with a group of legality certification bodies. Meeting with the Ministry of National Development Planning Agency.

Day 3. Wednesday 24 April

AM	FGD with a group of companies and CSOs. Meeting with the Ministry of Environment and Forestry.
PM	Meeting with the business associations, travel to Jepara.

Day 4. Thursday 25 April

AM	Meeting with Industry and Trade office of Jepara, meeting with the Indonesian Chamber of Commerce, Jepara office.
PM	Meeting with representatives of furniture and handicraft associations.

Day 5. Friday 26 April

AM	FGD with smallholders under cooperation with the state-owned company Perhutani.
PM	FGD with members of the furniture association of Jepara (APKJ). Evening: return to Jakarta.

Day 6. Monday 29 April

AM	FGD with CSOs.
PM	FGD with consultants and verification bodies.

Day 7. Tuesday 30 April

AM	Skype with online respondents and finalization of FGD notes; organizing to reach out to more respondents for online survey.
PM	Travel

The online questionnaire was sent by email on 24 April 2019. The online survey was open until 10 May 2019.

This Indonesia report is part of a series of seven country level studies (Cameroon, Côte d'Ivoire, Ghana, Guyana, Honduras, Indonesia and Republic of Congo) which intend to gather qualitative and quantitative evidence of the impacts of the Forest Law Enforcement Governance and Trade – Voluntary Partnership Agreement (FLEGT-VPA) process to date. This initiative was financed by the European Union and results are placed within the global European Union-FLEGT (EU-FLEGT) Monitoring and Evaluation (M&E) indicator database. The analysis is structured along five key thematic areas (with indicators clustered into governance and institutional effectiveness, illegal logging, forest conditions, economic development, and livelihoods and poverty). The methodology used is designed to be replicable over time as well as applicable to other countries. Each country assessment provides a baseline for future studies in the same country, that would help to measure progress (or regress) between two points in time. More countries can also be added over time to increase the overall sample and help to derive lessons based on more evidence. By covering seven countries that are in different stages of the VPA process – from negotiation to implementation to issuance of FLEGT licences – findings allow for global lessons to be learned across different geographies and time. These lessons and global findings are presented in a separate synthesis report, which combines results to outline a bigger picture of VPA process impacts where possible.

In total, 102 respondents were interviewed in Indonesia, which started its negotiation phase in March 2007 and licensed the first FLEGT licence in November 2016. The work leading to this report has been funded by the FAO-EU FLEGT Programme.

cifor.org | forestsnews.cifor.org

Study funded by

F A O - E U F L E G T P R O G R A M M E



Food and Agriculture
Organization of the
United Nations



Sweden
Sverige



This activity is funded by the Swedish International Cooperation Agency, the United Kingdom Department for International Development and the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the Swedish International Cooperation Agency, the United Kingdom Department for International Development or the European Union.



Financed by the European Union and led by the Center for International Forestry Research (CIFOR), GML is a five-year project implemented across Sub-Saharan Africa that aims to address key knowledge, technical and policy gaps related to the global impacts of the FLEGT Action Plan, as well as forest and land governance, trade in informal and legal timber products, deforestation-related commodity-based agribusiness, woodfuel and ultimately sustainable forest and land-use management and improvement of livelihoods.

Center for International Forestry Research (CIFOR)

CIFOR advances human well-being, equity and environmental integrity by conducting innovative research, developing partners' capacity, and actively engaging in dialogue with all stakeholders to inform policies and practices that affect forests and people. CIFOR is a CGIAR Research Center, and leads the CGIAR Research Program on Forests, Trees and Agroforestry (FTA). Our headquarters are in Bogor, Indonesia, with offices in Nairobi, Kenya; Yaounde, Cameroon; Lima, Peru and Bonn, Germany.

