

# Activity Report

## Dissemination of Information on the New Standard of TLAS in Java

- 1.1 Review and evaluate the relevant stakeholders involvement in Implementing TLAS for timber sources from HR and HTR.
- 1.2 Establish working group to supervise and assist the communities forest owner on TLAS implementation in Java.



By :  
Ir. Cecep Saepulloh  
Jakarta, 2010



ITTO TFL PD 010/09 Rev. 1 (M)

“Strengthening The Capacity of Related Stakeholders in Java on Implementing New Indonesian TLAS”

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Photo documentation collected by ITTO TFL PD 010/09 Rev. 1 (M)

## INTRODUCTION

This report is the activity report of Review and Evaluate the Relevant Stakeholders involvement in Implementing TLAS for Timber Sources from *HR* (*Community forest / community forest*) and *HTR* (*Hutan Tanaman Rakyat / community forest Plantation*) on the Project of ITTO TFL-PD 010/09 Rev.1 (M) for activity 1.1. This report is arranged based on the contractual agreement between ITTO Project TFL-PD 010/09 Rev. 1 (M) with Ir. Cecep Saepulloh, and Notification of Letter (NOL) on behalf of Ir. Cecep Saepulloh as the Consultant.

In this report, the consultant systematically elaborated the scope of the study, formulation of the problem, methodology and framework approaches, general condition of HR and the result of the activity. The highlights points in this report are the review and evaluation of the relevant parties involved in the implementation of timber legality verification in community Forest (HR) and community Forest Plantation (HTR), the pattern used in production process to the wood material supply, the function of the stakeholders, problem identification in TLAS application from each stakeholders, the size data of the land and the potential of HR in Java, and HR industrial consumption growth in Java island. The relevant parties mention here includes the stakeholders that involve in the raw material implementation from the HR of the TLAS

We hope that this report will be able to fulfill the purpose of Review and Evaluate the Relevant Stakeholders involvement in Implementing TLAS for Timber Sources from HR and HTR which is the final output from activity 1.1.

For the attention, trust and chance that were given to us, we would humbly say our sincere gratefulness.

Jakarta



Ir. Cecep Saepulloh

## TERMINOLOGY AND DEFINITION

<b>TLAS</b>	: Timber Legality Assurance System
<b>SVLK</b>	: <i>Sistem Verifikasi Legalitas Kayu</i> (Timber Legality Assurance system)
<b>Hutan Rakyat/ Hutan Hak (HR)</b>	: Community forest (Privately owned forest/lands)
<b>Hutan Tanaman Rakyat (HTR)</b>	: <i>Hutan Tanaman Rakyat</i> (community forest plantation in forest state area)
<b>IUIPHHK</b>	: <i>Izin Usaha Industri primer hasil hutan kayu</i> (primary wood industry licence)
<b>IUPHHK-HA</b>	: Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Alam (Natural production forest concession)
<b>IUPHHK-HT</b>	: Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Tanaman (Forest plantation concession)
<b>IUPHHK-RE</b>	: Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Restorasi Ekosistem (Ecosystem restoration concession)
<b>IPPHK</b>	: Primary wood industry license
<b>IUI Lanjutan</b>	: Izin Usaha Industri Lanjutan (upstream wood Industrial license)
<b>IPK</b>	: wood utilization license by land clearing
<b>SKAU</b>	: Surat Keterangan Asal-usul Kayu (Timber Origin Statement Letter or wood facture document from private land owner)
<b>PUHH</b>	: <i>Penatausahaan Hasil Hutan</i> (Forest product administration)

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## I. PREFACE

### 1.1. Background

Timber Legality Assurance System (TLAS) which also known as *Sistem Verifikasi Legalitas Kayu* (SVLK) was developed in order to conduct and strengthen forest administration, law enforcement and legal timber promotion which involving all stakeholder in timber legality verification development and the institution with the principles of governance, credibility and representativeness.

Base on the process of multi-stakeholder, Ministry of Forestry determined the regulation by releasing Ministry of Forestry Decree Number P.38/ Menhut-II/ 2009 concerning Standards and Guidelines for Performance Assessment of Sustainable Forest Management and Verification of Timber Legality for License Holders or the private land, and *Peraturan Direktur Jenderal Bina Produksi Kehutanan Nomor P.6/VI-Set/2009* regarding standard and guideline for performance assessment of Sustainable Production Forest Management and Timber Legality verification which need a guidelines for the implementation.

Guidelines for Sustainable Forest management performance assessment and Verification of timber Legality for license holder or private land owner include standard and verification from: State Forest (IUPHHK-HA/HPH, IUPHHK-HTI/HPHTI, IUPHHK-RE, as stated in Appendix 2, State Forest that managed by community (IUPHHK-HTR, IUPHHK-HKm), as stated in Appendix 3, on IUIPHHK and secondary wood industry, as set out in Appendix 4, which derives from *Hutan Hak* (private land), as listed in Appendix 5; and for IPK (License Holders Wood utilization/land clearing ) , as set out in Appendix 6.

In the activities conducted by Ministry of Forestry with ITTO (International Tropical Timber Association) through ITTO Project TFL-PD 010/09 Rev.1 (M), this project emphasizes more on capacity building for all stakeholders including the institutions to increase the effectiveness of the regulation implementation. This is especially for HR and HTR owners at Java Island especially in the area of West Java, Banten, Central Java, Yogyakarta and East Java.

Globally this project is mainly focused on several activities which aimed to increase the capacity of its stakeholders especially those who are involved in timber legalization especially according to SVLK (TLAS) guidelines, an independent assessor institution to asses TLAS implementation for HR and HTR, implementation of training and strengthen the TLAS/SVLK implementation. Few stages of the activities to support the achievement of the



objective above are review and evaluation from stakeholders who are involved in the implementation of TLAS on HR and HTR.

A review and evaluation of activity that has been conducted by the relevant parties on HR and HTR in activity 1.1 was conducted for two months. The report of the activity was written in a report with the title: Review and Evaluate the Relevant Stakeholders involvement in Implementing TLAS for Timber Sources from HR and HTR.

## **1.2. Purpose**

The purpose of Review and Evaluate the Relevant Stakeholders involvement in Implementing TLAS for Timber Sources from HR and HTR are:

- To know the movement of material from the cutting block (or the material source) to the industrial users.
- To know the parties involved from the community wood up to industrial user. (HR owner, HTR License Owner, and Timber Collector or Broker)

## **1.3. Basic Implementation**

- Contractual Agreement between ITTO Project TFL-PD 010/09 Rev. 1 (M) and Ir. Cecep Saepulloh.
- Notification of Letter (NOL) on behalf of Ir. Cecep Saepulloh.

## **1.4. Scope Implementation of The Activity**

1. To identify the stakeholders. (or parties involved), using material form HR or HTR in implementing TLAS.
2. Analysis of activity pattern in the production process or raw material supply of 'Community Wood' (*Community's wood*).
3. Analysis of the stakeholder's role (land owner, timber collectors, wood users) in the fulfillment of the timber legality.
4. Formulation of the issues/problem in implementing TLAS.
5. Recommendations for the Central Government, Local Government, and other stakeholders.

## 1.5. Formulation of the Problem

The wood consumption from the community Forest is increasing. This is due to the limitation supply from Natural Forest, that since 2009 the supply from the Natural Forest has been decreased to only 5.13 million square meters. Currently there is a trend that the material from Natural Forest is going down, and people start to use raw material from Forest Plantation and community forest which in 2009 the wood supply reached 22.84 million square meters. According to the Forestry Statistic Record in 2008, it is recorded the use of Community Forest in East Java was 234,000 m<sup>3</sup>, while in Central Java was 922,000 m<sup>3</sup>, and in West Java was 81,000 m<sup>3</sup>. Furthermore, based on the study by BPKH IX, DIY and MFP I 2009, the potential of HR in Java and Madura was approximately 26,363,582 m<sup>3</sup>, with details of Banten Province 1,354,739.22 m<sup>3</sup> (5%), West Java Provinces 8,821,114.97 m<sup>3</sup> (33%), Central Java Province 5,128,540.50 m<sup>3</sup> (19%), DIY 1,734,429.02 m<sup>3</sup> (7%) and East Java 9,324,758.29 m<sup>3</sup> (36%).

Based on the data, we can imply that HR, especially in Java can be used as a base supply of timber industry development. In practice, the wood supply to the industry involves many parties besides the land owner such as the supplier, collector, or other institution that involve in the raw material wood supply from the HR. The people as the land owner who actually one of the business players has not independently played a direct role, either in providing the raw materials or the legalization process. In order to support the consumption of wood material from HR and HTR, mechanism and procedures are needed to control from the source of the wood to the legality of their raw materials through identification and study of the structure of the relevant stakeholders in TLAS application for HR or HTR in West Java, Central Java and East Java.

We need to admit that right now the Community forest is the future of Wood Industry, especially at the present where the material natural forest has become more and more diminishing. In addition to that, the Community forest has a significant impact to create economical movement for the people, occurring in Lamongan, East Java province for example.

In the context of TLAS/SVLK implementation in using wood material from HR and HTR by IUIPHHK (*Industri Primer Hasil Hutan Kayu* – Primary Industries Timber Forest Products) and by the secondary industries forest product (IUI Lanjutan) , it can be formulated some existing issues that generally concluded as follow:

1. Timber circulation which derives from the HR has not been fully administratively discipline according to P.51/Menhut-II/2006 about the use of SKAU to move timber from the HR (Compliance with the physical SKAU documents, validity, etc.).

2. The circulation from the HR is now mainly dominated by the collector to the user (or the industry), not directly from the owner to the user. This makes the origin of the wood is difficult to trace back.
3. Limitation of the object to be verified (TLAS/SVLK) for the HR is still ambiguous whether it is from the unit or group or HR owner group or establishing more specific institutions (such as UKM, Farmer group, Cooperatives, etc).
4. The legal land ownership certificate in the form of valid ownership document does not have consistent information (the data of the land owners and the land area size are not updated, etc).
5. The unavailability of the HR location map.
6. The lack of socialization regarding to the wood administration and function from the HR to the community.
7. The lack of understanding and knowledge regarding to the TLAS/SVLK or the wood certification by the society, due to the lack of socialization.

The three main problems faced by the industrial users of HR or THR are:

1. The sufficient availability of the raw material for the industry.
2. Clear clarification of land ownership or material supplier (supplier or collector or broker).
3. Legal documents of forest products and other administrative documents.

In this work, the problem is focused more on the wood legality of the timber that associated with the clarity of the origin of the wood material, the status ownership clarity and involved parties in the supply chain and the documents order that comply with the wood material

## II. METHODOLOGY

### 2.1. Framework Approach

Review and Evaluate the Relevant Stakeholders involvement in Implementing TLAS for Timber Sources from HR and HTR were conducted through several activities, such as:

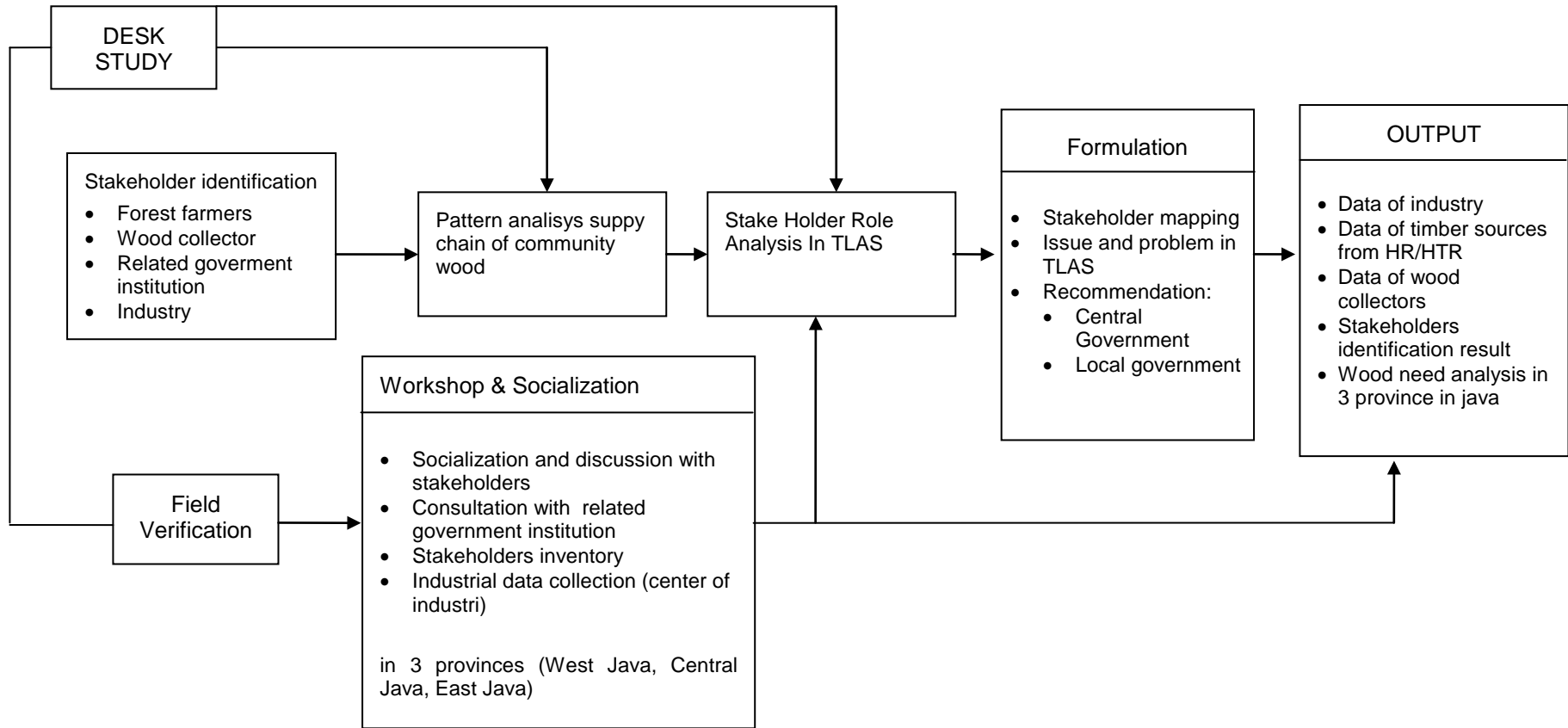
1. Identifying the stakeholders that use material from HR or HTR and involved in TLAS, consisting of Wood Owners, Suppliers or Wood Wholesaler, Relevant Institution and The Industry.

In this activity the involved parties can be described as follow:

- The Wood Owners are the farmers that have their plant and own private land in the HR or HTR
  - Suppliers or wholesalers are parties that supply the wood material by buying the material from the farmers.
  - Relevant Institution is the government authority that involves in publishing the wood legality certificate like the village officials, or Local Forestry Officials.
  - The industry is the Wood Material user that derived from the HR or HTR.
2. Analysis of pattern activities in the production process or raw material supply 'Community material'. The analysis was performed on several major activities in the supply and distribution of the wood material, such as planting, harvesting, marketing and distribution from the Wood from the HR.
  3. The analysis of the stakeholders (land or wood owner, wholesaler, and the industry) activity pattern in the fulfillment of the timber legality.

In general, the framework approach that is used by the involved parties in Review and Evaluation on TLAS from HR or HTR described in Figure II-1:

**Figure II-1. Diagram Approach Activity of Review and Evaluation of Related Parties in the TLAS Implementation from Community forest/Hutan Tanaman Rakyat**



## **2.2. The Method of Data Collection**

### **1. The Necessary Data**

The necessary data in this activity consist of Primary Data and Secondary Data, which are: data of the people wood potential in the three provinces, data of types of industries using raw material from HR/HTR, data of the stakeholders, Data of the people wood needs in West Java province (including Banten province), Central Java (including DI Yogyakarta province and East Java.

### **2. Collecting the Data**

The necessary data are obtained by several ways, which are:

- Collecting Secondary Data (Desk Study)
- Collecting Primary Data Primer done by interviewing the stakeholders and spreading questionnaires
- Open discussion with many parties through workshops and internal meetings
- Consultation with the related institutions
- Field trips

### **3. Data Analysis and the Result**

The results of data collection were analyzed by things related with:

- The mapping of the parties (stakeholders) who are involved in the TLAS implementation from the people wood raw material sources (HR or HTR) stakeholders mapping
- Problems identification of applying the TLAS in HR/HTR
- The need recapitulation of People Wood Raw Material

Based on the result of the data analysis, it will be made a recommendation to support the result of the activity (output).

### III. GENERAL CONDITION OF *COMMUNITY FOREST* IN WEST JAVA, CENTRAL JAVA AND EAST JAVA PROVINCES

In general, *Community forest* in the West, Centre and East Java provinces are forest with agro forestry pattern. The existence of that pattern is based on the interaction of social demand toward forest products commodity and other commodities that are used for both subsistence and commercial purposes.

Some timber plants developed in *community forest* (HR) are sengon (*Paraserianthes falcataria*), Melalueca (*Melaleuca leucadendron*), sugar palm (*Arenga pinata*), sungkai (*Peronema canescens*), acacia (*Acacia sp.*), white teak (*Gmelina arborea*), johar (*Cassia siamea*), kemiri (*Aleurites moluccana*), kapuk (*Ceiba petandra*), jabon (*Anthocephalus cadamba*), mahogany (*Swietenia macrophylla*), bamboo (*Bambusa*), neem (*Azadirachta indica*), shore pine (*Casuarina equisetifolia*), and calothyrsus (*Calliandra calothyrsus*). Whereas, raw materials mostly used for industries are albizia wood species (*Paraserianthes falcataria*), pine (*Pinus merkusii*), maesopsis (*Maesopsis eminii*), rubber tree (*Hevea spp.*), gmelina (*Gmelina arborea*), teak (*Tectona grandis*), mahogany (*Swietenia macrophylla*), jabon (*Anthocephalus cadamba*), mindi sungkai (*Pheronema canescens*), mixed forest types.

Each province has its advantage for the plant varieties which developed based on the suitability of tree species with the land cultivation condition, for example West Java grows many kinds of pine, teak and rasamala; Central Java grows many kinds of teak, sengon and mahogany; and East Java grows many kinds of waru, mahogany, sengon and teak. Based on data of the wood potential and carbon in Java 2003 – 2008, the result of cooperation between BPKH XI and MFP II, we know the extent and potential volume of *community forest* (HR) in Java are as following

**Table III.1. The Area and Potential of *Community Forest* (HR) in Java**

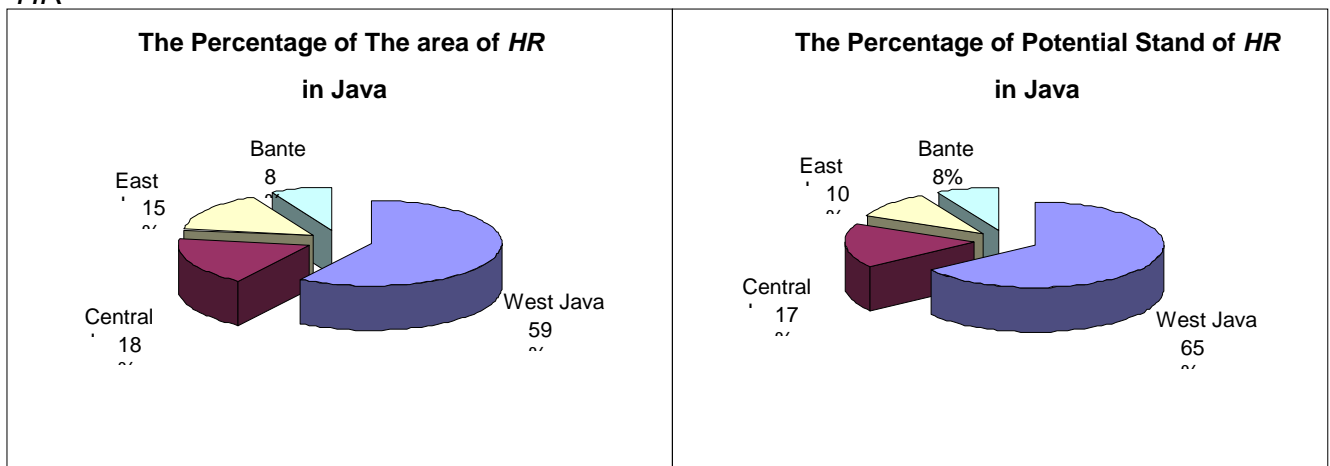
Province	HR Area (hectare)		HR wood Potential Volume (m3)	
	2000-2003	2006-2008	2000-2003	2006-2008
Banten	336,460.63	322,152.59	9,410,738.00	9,011,156.43
D.I Yogyakarta	45,308.27	53,602.68	1,356,000.79	1,597,264.89
West Java	976,008.70	942,698.13	27,076,516.31	26,226,898.00

Central Java	767,596.51	742,923.51	23,084,410.85	22,352,370.73
East Java	665,232.94	523,534.68	17,856,000.36	15,572,179.77
Total	2,790,607.05	2,584,911.59	78,783,666.31	74,759,869.82

Source : (Study BPKH IX, DIY and MFP, 2009)

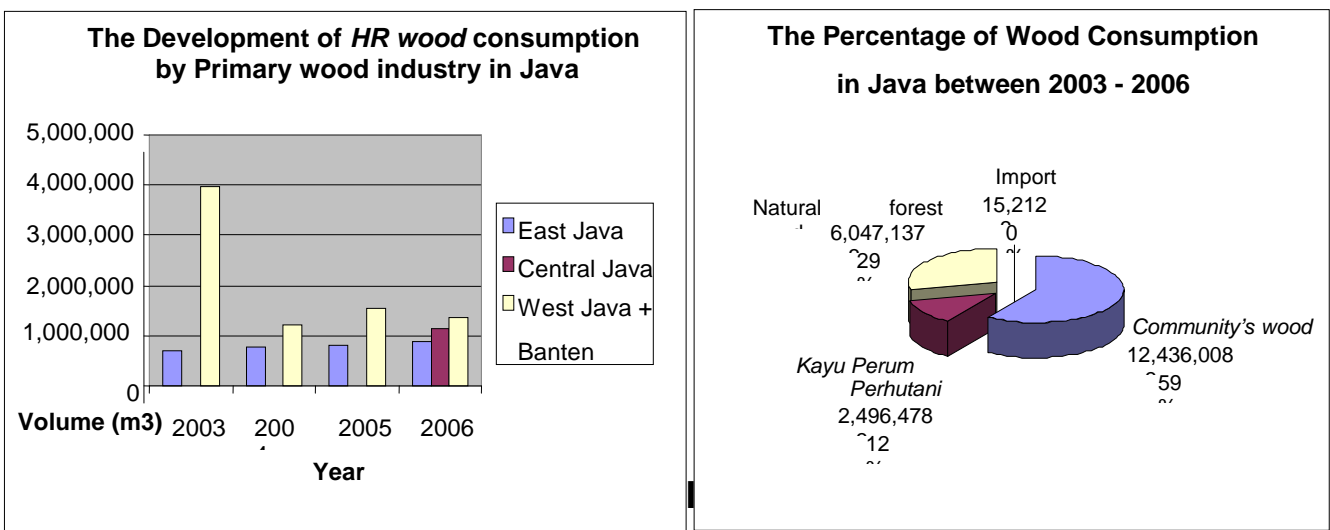
Whereas, based on data from Provincial Forestry Office, BP-DAS and forestry statistic in the year of 2008, we can see that the percentage of the area of *community forest (HR)* and potential stand of *community forest (HR)* are as shown in below:

Figure III.1. The Percentage of the area of *community forest (HR)* and Potential Stand of *HR*



The development of *HR wood* consumption by IPHHK and contribution of *Community's wood* in Java based on the result activity of Primary Industry Pattern of timber forest products in the basis of *community forest (HR)* can be seen below:

Figure III.2. The Development of *HR wood* Consumption by IPHHK and Contribution of *HR wood* in Java





## IV. THE ACTIVITY RESULT

The implementation of stakeholders review and evaluation activities involving in the TLAS implementation on community forest (HR) were done through workshops and internal meetings with the stakeholders. The workshops were carried out in the province of:

- Central Java on Thursday, October 28, 2010 at Hotel Grasia Semarang.
- East Java on Wednesday, November 24, 2010 at Hotel Ibis Surabaya.
- West Java on Wednesday, December 1, 2010 at Hotel Lingga, Jl. Soekarno Hatta No. 464 Bandung.

### 4.1. The Stakeholders Involved in the TLAS Implementation from *HR wood Raw Material Resources*

In general, the stakeholders who are involved both directly and indirectly in supplying *Community's wood* raw material to industries consist of the Wood-Owner Farmers, the Wood Suppliers/Collectors, the Related Institutions, and Industries and Buyers. Based on groups and categories, the stakeholders are divided as:

**Table IV.1 Stakeholder Groups and Categories**

Stakeholder Groups	Stakeholder Categories
Land / <i>Community forest</i> Owners	<ol style="list-style-type: none"> <li>1. Land owners (forest farmers)</li> <li>2. Community forest farmer groups</li> <li>3. Cooperatives</li> <li>4. Associations (<i>paguyuban</i>)</li> </ol>
<i>HR wood collector</i> / Broker	<ol style="list-style-type: none"> <li>1. <i>HR wood</i> collectors or sellers</li> <li>2. Agents or brokers</li> </ol>
Primary Industry of Wood Processor	<ol style="list-style-type: none"> <li>1. Sawmill (big and small scale)</li> <li>2. Veneer (big and small scale)</li> <li>3. plywood industry</li> </ol>
upstreams Industry of Wood Processor	<ol style="list-style-type: none"> <li>1. Moulding industry, wooden floor industry, etc</li> <li>2. Furniture industry</li> <li>3. Other industries which use wood as their raw material</li> </ol>

Central and Local Government	<ol style="list-style-type: none"> <li>1. Forestry Minister</li> <li>2. Provincial and Kabupaten Forestry Department</li> <li>3. Provincial and Kabupaten Local Government</li> <li>4. Kecamatan and Head of Village/Lurah</li> </ol>
Exporter/Trader	<ol style="list-style-type: none"> <li>1. Pure exporters or traders</li> <li>2. Exporters that cooperate with the Craftsmen or local industries (outsourcing)</li> </ol>
Associations	<ol style="list-style-type: none"> <li>1. ASMINDO (Indonesian furniture association)</li> <li>2. APKINDO (Indonesian wood panel association)</li> <li>3. ISWA (Indonesian Sawmill and woodworking association)</li> <li>4. <i>Community's wood</i> Entrepreneur Association</li> </ol>
NGO	<ol style="list-style-type: none"> <li>1. NGO as TLAS Independent monitors</li> <li>2. NGO as TLAS non independent monitors</li> </ol>
LVLK (Verification Body of Timber Legality)	LVLK who have accreditation from KAN (National Accreditation Committee)

Further explanations related with the stakeholders are as followed:

1. *Community Forest (HR)* Farmers

Farmers who have forest in their own land (*community forest*) are as the producers in the *HR wood* business administration. Most *HR* farmers do cultivating with the pattern of forest plantation intercropping in their own lands or as the land cultivating farmers (cooperative pattern). As producers, *HR* farmers are in individual or groups, or even cooperatives. The proof of land ownership by people is in the form of Land Certificate (Letter C/ *Surat Keterangan Tanah*). From the survey result, the identification of farmers and farmer groups who provide *Community's wood* raw material is as followed:

**Table IV.2 Farmer Groups of Community forest (HR)**

No	Province	<i>Community forest</i> Farmers/ Cooperatives	Location
1	West Java	Farmer group Marga Bakti	Kab. Lebak – Banten
		Farmer group Sri Mulya	Kab. Cirebon
		Farmer group Marga Bhakti	Banten
		Cooperative Tani Bungur Makmur	Banten
		Cooperative of <i>Community forest</i> Entrepreneur Association Jagawana Lestari	West Java

		Farmer group Propolis Jaya	Desa Cipasung, West Java
		Farmer group Mekar Saluyu I	Desa Dukuh Dalem, West Java
		Farmer group Harapan Tani	Desa Gara Tengah, West Java
		Farmer group Gunung Halimun	Desa Selareuma, West Java
		Farmer group Sumur Dadap	Desa Sukamukti, West Java
		Farmer group Bentang Jaya	Desa Koreak, West Java
2	Central Java	Community Forum of Sumber Rejo Farmers	Wonogiri
		GOPHR Sukoharjo	Alasombo, Jatingarang
		Catur Giri Manunggal	Giriwoyo-Wonogiri
		KUD Bima Semanu	Tegalrejo – Wonogiri
		Cooperative Wana Lestari Menoreh	Banjararum, Kulonprogo
		Cooperative Wana Manunggal Lestari	Jabung – Magetan, Selopuro – Yogyakarta
		Cooperative Graha Mandiri Sentausa	Central Java
		Farmer group Mekar Manunggal	Central Java
		Sido Makmur Group	Central Java
		KSU Sumber Graha Sejahtera Karya Mandiri	Central Java
3	East Java	Argo Bancak	Magetan
		Rimba Sari	Pacitan
		Wana Lestari	Pacitan
		Alas Makmur	Probolinggo
		Liga Tani	Pasuruan
		Sumber Jati Makmur	Tuban
		Wilis Sejahtera	Kediri
		Sumber Toto Jati Songo	Tulung agung
		Wana Lestari	Situbondo
		Giri Lestari	Sampang
		Darmaning Lestari	Jember
		Giri Tri Lestari	Sampang
		Panca Mulya Lestari	Malang
		Cooperative Alas Mandiri	Probolinggo

## 2. Collectors/Collectors Members

Suppliers provide *HR wood* material by buying woods from farmers. *HR wood* collectors generally are organized in *Usaha Dagang* (UD), CV or individual, and in some regions, collectors have already formed organizations as *company limited* (PT). As the raw material

suppliers, collectors become the mediator between farmers and consuming industries. Big collectors usually have some individual collectors or wood buyer groups. From the survey result, there are *HR wood* collectors in some locations, such as:

**Table IV. 3. The Collectors of *Community Forest***

No	Province	Supplier/Collector	Location
1	West Java	CV. Cita Raya Ciamis	Ciamis
		CV. Budi Manis Sukabumi	Suka Bumi
		PK. Ayung Cianjur	Cianjur
		CV. Hegar Manah Bandung	Bandung
2	Central Java & DI Yogyakarta	PT. Dipantara	Yogyakarta
		UD Cahaya Baru	Bantul
		UD Gema Putra Jati	Gunung Kidul
		UD Limasan Jati	Bantul
		CV. Hafara Citra Mandiri	Sleman
		CV. Jati Mulya	Bantul
		Riana Jaya	Bantul
		CV. Mutiara	Yogyakarta
		UD Gajah Mada	Bantul
		UD Sari Jati	Gunung Kidul
		UD. Tresno Putro	Kulon Progo
		UD Berkah Jati (saw mill)	Yogyakarta
		UD Maju Mapan (saw mill)	Yogyakarta
		UD DEO DEA	Sidowarno Yogyakarta

**Note :** for collectors mostly are noted as individual names

### 3. Industries that Use Community's Wood Material

The existing wood industries include big industries with the capacity of more than 6,000 m<sup>3</sup>, which generally primary or upstream industries with their main products: veneer, plywood, LVL (laminated veneer lumber) and sawn timber; middle industries with the capacity between 2,000 and 6,000 m<sup>3</sup> with sawn timber as their main product; and small industries with the capacity less than 2,000 m<sup>3</sup> which generally upstream industry with sawn timber as their main product and downstream industry with furniture and handicrafts. In general, the wood coming from community forest are used for building material, industrial raw material—especially local industry, and source of energy. The local industries are such as: handicraft, household furnishing, plywood, Laminated Veneer Lumber (LVL), Glued Laminated Lumber

(Glulam), article board and Medium Density Fiberboard (MDF) industries. The products of Community forest are used as raw material for big, middle and small industries.

### 1. Big Industries

- Sawmill
- Plywood, Laminated Veneer Lumber (LVL) and blockboard
- Glued Laminated Lumber (Gluam)
- Medium Density Fiberboard (MDF)

### 2. Middle Industries

- Furniture and household appliances
- Woodworking/molding/joinery/panel
- Carving industries

### 3. Small Industries

- Sculptures
- Household handicrafts and souvenirs

Based on the survey result, we identify some industries which use raw materials taken from Community forest, such as:

**Table IV. 4. Industries Which Use *Community's wood***

No	Province	Industry	Location
1	West Java	PT. Sumber Graha Sejahtera	Tangerang
		PT. Jaya Cemerlang Industry	Tangerang
		PT. Albasi Priangan Lestari	Banjar
		Industri penggergajian kayu, Desa Sampora	West Java
		Industri penggergajian kayu , Desa Selajambe	West Java
		Industri penggergajian kayu , Desa Selajambe	West Java
		Industri penggergajian kayu , Desa Cipasung	West Java
2	Central Java & DI Yogyakarta	CV. Kelvindo	Jepara
		PT. Jawa Furni Lestari	Yogyakarta
		PT. Plywood Indonesia	Semarang
		PT. Herrison & Gill	Semarang

No	Province	Industry	Location
		PT. Serayu Makmur Kayuindo	Banjarnegara
		PT. Makmur Alam Sentosa	Semarang
3	East Java	PT. Anugrah Jati Utama	Pasuruan
		CV. Galih Jati Perkasa	Magetan
		PT. Bangun Sarana Wreksa	Malang
		PT. Wonojati	Kediri
		PT. Katwara	Gresik
		PT. Sono Prima	Bojonegoro
		PT. Karya Jati	Jombang
		PT. Seng Fong Moulding Perkasa	Jombang
		PT. Dong Shin Indonesia	Pasuruan
		PT. Kutai Timber Indonesia	Probolinggo
		PT. Sejahtera Utama Bersama	Jombang
		PT. Mustika Buana Sejahtera	Lumajang
		PT. Dharma Satya Nusantara	Surabaya

#### 4. Other Stakeholders

In the process of Community's wood trade system, beside stakeholders who involve directly, there are few parties who involve indirectly, which are:

- Village leader (Head of Village/Lurah)
- Region Technical Implementer Unit/UPTD (LHP Examining Officer)
- Association/NGO (ASMINDO, *Community forest* Communication Forum)
- Wood Legality Verification Institution which accredited by National Accreditation Committee.

Based on the survey result, we identified Associations and LSM as assistants / facilitators in Community forest :

**Table IV.5. Associations and NGO of Community forest Assistance**

No	Province	Association/LSM	Location
1	West Java	ASMINDO West Java	Bandung
		Yayasan Aktivitas Anak Rimba	Bandung
		ASHOKA Indonesia	Bandung
		Kanopi	Bandung

		Lembaga Alam Tropika Indonesia	Bandung
		TELAPAK	West Java
2	Central Java & DIY	ASMINDO-Jateng	Semarang
		ASMINSO-Yogyakarta	Yogyakarta
		PERSEPSI	Yogyakarta
		SHOREA	Yogyakarta
		DAMAR	Yogyakarta
		PKHR	Yogyakarta
		Java Learning Center (JAVLEC)	Central Java
		Paguyuban Petani Hutan Jawa (PPHJ) region of Central Java	
3	East Java	Yayasan Badan Keswadayaan Masyarakat (YBKM)	Tuban
		PWP	Pacitan
		Pelestari alam terpadu (PESAT)	Bojonegoro
		LP3M Algeheins	Ponorogo
		PERSEPSI-East Java	Madiun
		LSM HISPAM	Ngawi
		Farmer group Lestari Geger	Tulungagung
		Yayasan Tunas Hijau	Surabaya
		Yayasan Paramitra	Malang

#### 4.2. Activity Pattern in the Community's wood Material Production or Supply Process

Forestry Act No. 41, 1999 about Forestry in Article 5 arranges that forest based on its status divided into State forest and right forest (private forest). Right forest or private forest is forest which located in land that is burdened with land rights. Community forest is included into the right forest because it's grown on the land that is burdened with its land right.

In the process of production and supply of Community's wood material, it has found out there few steps of the activity, which are cultivation, harvesting, distribution and marketing of the Community's wood. Each action has patterns in its execution. Some of the patterns can be defined as followed:

- Cultivation patterns include: the cultivation pattern of community forest which is done by the land owners together through land hiring or profit sharing system.
- Harvesting/cutting off patterns include: the cutting off pattern of Community forest timbers which is done by the owners, the buyers. In the harvesting process, we need a cutting permit as the wood legality document.

- Distribution patterns of Community's wood product include: distribution pattern of Community's wood which is done by the owner, the buyers. In the distribution process, we need a transporting permit of Community's wood as the wood transporting legality document.
- Marketing patterns include: marketing pattern of Community forest timbers which is done by the owners, collectors and suppliers.

Based on the survey result, there is supply chain patterns of Community forest (HR/HTR) which are:

- Pattern one consists of Community forest, Industry, Buyer
- Pattern two consists of Community forest, Industry (big and small scale), Advanced IUI, Buyer
- Pattern three consists of Community forest , Wood Collector/Seller, Industry (big and small scale), Buyer
- Pattern four consists of Community forest, Wood Collector/Seller, Industry (big and small scale), Advanced Industry, Buyer

The series of wood flow distribution from Community forest to wood processing industry can be described as follow:

**Figure IV.1 The Distribution Chain of Community's wood**

Pattern 1	Community forest	→	IPHHK	→	Buyer		
Pattern 2	Community forest	→	IPHHK (big and small scale)	→	Advanced IUI	→	Buyer
Pattern 3	Community forest	→	Wood collector/seller	→	IPHHK (big and small scale)	→	Buyer
Pattern 4	Community forest	→	Wood collector/seller	→	IPHHK (big and small scale)	→	Advanced IUI → Buyer

#### 4.3. The roles of stakeholders (land owner, collector, wood consumer) in the fulfillment of timber legality

Before TLAS was set, the Minister of Forestry had developed the system of forest products administration which principle is "Timber Tracking System" that can guarantee the legality of



wood. That regulation is stated in the Forestry Minister decree No.P.55/Menhut-II/2006 including the regulation about the Forest Products Administration which comes from State Forest.

The forest products administration (PUHH) as is arranged in the Forestry Minister Rule, basically arranges the administration of forest products administration starting from the plan of production, the process of production, the transporting of forest products and the inspection of forest products in each segment of activities—from upstream to downstream.

The principle of wood legality verification is to examine the tracing of wood product to its source / the wood background and also to examine the fulfillment of obligation and the obedience toward the valid law which flows consistently.

Basically, the mechanism of forest products administration is the control system and it can be used as a timber tracking device. With the Policy of administration which is timber tracking system, it is expected to provide legal security to the consumers/people.

Besides that, Forestry Minister has also established the Minister of Forestry Decree No.P.51/Menhut-II/2006 which regulate about the usage of Certificate of Origin / *Surat Keterangan Asal Usul (SKAU)* for woods coming from *Community forest* / people land as the legal document.

The fulfillment of *Community's wood* Legality is arranged in Minister of Forestry Decree No. P 51/Menhut-II/2006 about the *Community forest* administration. In the mechanism of wood circulation or *Community's wood* raw material supply, there are roles of each stakeholders, which are in the business administration of wood and in fulfilling the wood legality document and its licensing process based on the developing pattern in each step of activities. The roles of each stakeholder are presented in the below table.

**Table IV. 6 The Roles of Stakeholders**

Stakeholder Groups	Stakeholder Roles
Owners of land or <i>Community forest</i>	<ul style="list-style-type: none"> <li>- Land owner and supplier of <i>Community's wood</i> material</li> <li>- Prepare land ownership document and other necessary documents</li> </ul>
Sellers/collectors of <i>Community's wood</i>	<ul style="list-style-type: none"> <li>- Bridge the wood demand from industries and the wood or land owners (mediator)</li> <li>- Prepare the necessary documents for cutting process to transporting <i>Community's wood</i> to industries (cutting permit, wood documents of SKAU or SKSKB, "KR" stamp (wood legality document)</li> <li>- Buy <i>Community's wood</i> and sell them to industries</li> </ul>
Primary industry of wood processing	<ul style="list-style-type: none"> <li>- Buy people logs from collectors/wood sellers or directly from wood/land owner</li> </ul>

	<ul style="list-style-type: none"> <li>- Process <i>Community's wood</i> to become finished or half-finished products</li> <li>- Send wood products to following industries or directly export and to consumers</li> <li>- Provide wood legality document for shipping (FAKO, invoice, packing list, etc)</li> </ul>
upstream industry of wood processing	<ul style="list-style-type: none"> <li>- Buy people logs from collectors/wood sellers or directly from wood/land owner</li> <li>- Process <i>Community's wood</i> to become finished products</li> <li>- Send / export finished products completed with the necessary export document</li> </ul>
Central and Local Government (Forestry Department, Kecamatan, Kepala Desa)	<ul style="list-style-type: none"> <li>- The policy maker related with the TUK and <i>Community's wood</i> distribution</li> <li>- Manage and supervise the circulation and well administration of <i>Community's wood TUK</i></li> <li>- Provide documents of SKSHHH (SKAU, SKSKB cap KR, FAKO, etc.)</li> <li>- The official publisher of SKSKHH (SKAU, SKSKB cap KR, FAKO, etc.)</li> <li>- <i>Surat Ijin Tebang</i> / Cutting Permit (in some regions, field verification, etc.)</li> </ul>
Exporter/trader	<ul style="list-style-type: none"> <li>- Export the forest products completed with the necessary export</li> </ul>
Association	<ul style="list-style-type: none"> <li>- Announce and socialize the TLAS Policy to its members</li> <li>- Push its members to apply the TLAS</li> </ul>
NGO/independent monitors body (LPI)	<ul style="list-style-type: none"> <li>- Assist the farmer groups or people in applying the TLAS</li> <li>- Supervise the process of TLAS as LPI</li> <li>- Give information about inappropriate TLAS application</li> </ul>
LVLK (Timber legality verification body)	<ul style="list-style-type: none"> <li>- Do the verification of timber legality</li> <li>- Publish the certificate of TLAS</li> </ul>

In general, the moving system of *Community's wood* from cultivation to consumption industry can be described as follows:

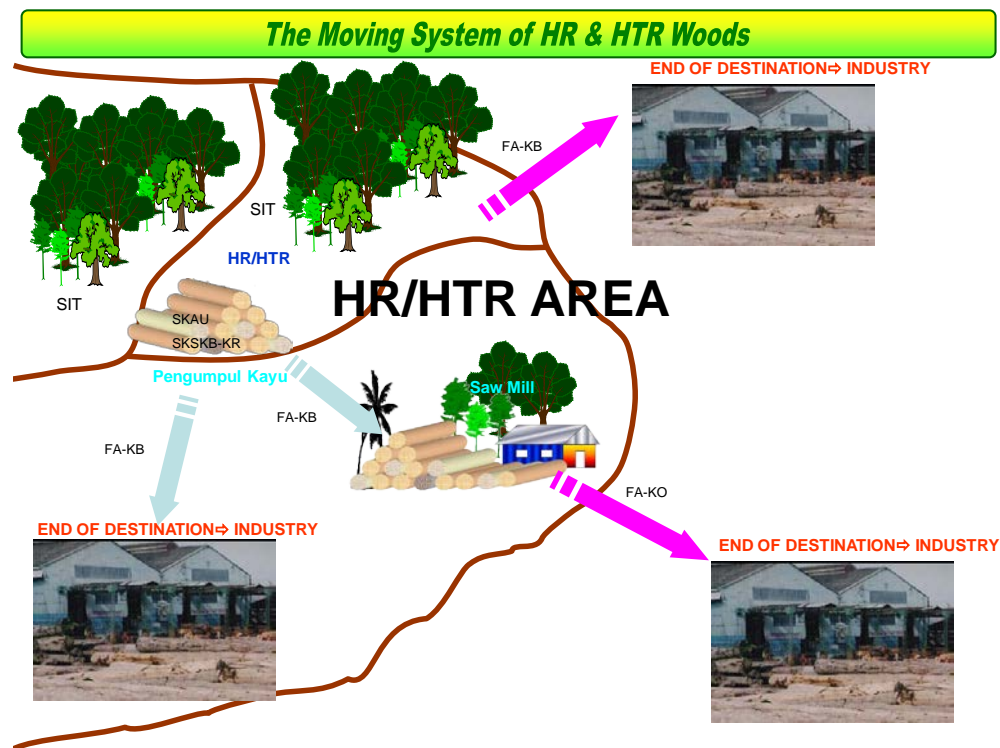


Figure IV.2.

From the present wood moving and activity pattern, we can see which parties are there in the system of *Community's wood* business administration, and also the documents which are needed in each segment of moving.

From the identification result of parties who involve in SVLK/TLAS application, we can see the roles of each party in the *Community forest* business administration supply chain, especially related with the wood tracing through legal documents that accompanied the woods in every segment. In the *Community's wood* business administration, the private owned forest/people's lands are accompanied by the land ownership certificate.

Land ownership document is a legal document toward land ownership which is the background of from where the wood has come from (*alas titel*); whereas in its shipping, the woods which come from the privately owned forest are subject to be protected by the SKAU document which published by the Head of Village or the equal official after investigating the type correctness and the background. Other supporting documents are Determination Letter Publisher / *Surat Penetapan Penerbit SKAU* which is made by the related institution, log trade-contract document and collectors licensing document.

#### 4.4. Problem Identification in Applying the TLAS at Each Stakeholder

In reality, there are some obstacles faced by the stakeholder groups as present in the following table:

Stakeholder Groups	Problems
Wood Owner (Owner of right forest)	<ul style="list-style-type: none"> <li>• Many wood owners who are generally farmers do not have the appropriate land ownership document, such as the property rights certificate and the valid land ownership certificate which usually in the form of Letter C, Letter B, Girik, etc. (For example: the name of land owner does not match with the one in land ownership document, not yet paid <i>PBB</i> (property tax), etc.)</li> <li>• There is no location map of the right forest/land (indicator 1.1.1 b TLAS) so that land owners have difficulties to set the clear limitation of their land ownership.</li> <li>• Lack of knowledge from the wood owners (right forest farmers) about the rules of <i>Community's wood</i> administration (P.51/menhut-II/2006) so that they are not aware of the requirements of <i>Community's wood</i> circulation (wood documents).</li> <li>• The process of wood selling is mostly done by the collectors (broker) because industries are hesitant dealing transactions for small amount of wood directly with the wood owner. As the result, the wood administration document (SKAU or FAKB cap KR) is done by the collectors collectively with the other wood owners which cause difficulties in tracing the wood background correctly.</li> <li>• Wood owners do not want to be burdened by wood document business because it will cost more, yet the wood sold are not much. Therefore, in the wood documents (SKAU or FAKB cap KR), the wood owner or sender is on behalf of the collectors, not the wood owner (land owner) or even the shipping is not accompanied by the valid wood document.</li> <li>• The TLAS rules have not known and understood because of lack in socialization about TLAS to people (<i>Community forest</i> farmers).</li> </ul>
Wood Collector / Supplier	<ul style="list-style-type: none"> <li>• Lack of understanding toward the rules of wood product administration which come from right forests (example case: fault in using the appropriate SKSHH document: wood type and wood origin).</li> <li>• The complicatedness of managing the wood document (SKAU, etc.) which related with wood circulation, so that they would rather do business without completing the valid wood document.</li> <li>• In some regions, it is hard to get the wood document (like FA-KB cap KR)</li> <li>• Wood collectors do not own complete business license and/or clear entity.</li> <li>• There is a collector who has TPK (Jepara) and does wood trading which has not been regulated clearly in the present TUK rules.</li> <li>• Not yet got socialization about TLAS.</li> </ul>
Central and Local Government	<ul style="list-style-type: none"> <li>• The understanding toward the certification issue of forest and wood and TLAS has not been spread evenly to all local governments.</li> <li>• Data information about the potential of <i>Community forest</i> and its circulation</li> </ul>

	<p>are still low.</p> <ul style="list-style-type: none"> <li>• The supervising and monitoring of well-administration TUK <i>Community's wood</i> circulation are not enough yet.</li> <li>• There has not been any control onto small timber-entrepreneurs (sawmill and rotary or veneer maker) in small scale that have not had law entities and appropriate license.</li> <li>• There are unsynchronized policy between local and central government (levy or local contribution for forest products, cutting <i>Community's wood</i> license, etc.) and the policies in every regions are different.</li> <li>• Adaptation and accommodating the actual scheme of wood circulation are still needed; however they have not been accommodated in the present wood administration rules (<i>Perhutani/Indonesian State Forestry Company</i> are buying and selling <i>Community's wood</i>).</li> <li>• Little involvement in the TLAS scoring process.</li> <li>• Need to be considered the TLAS area for right forest or <i>Community's wood</i> in range per district (per Viillage, per Kecamatan or per Kabupaten), not per land owner or land owner group (farmer or farmer group).</li> <li>• The data about the circulating woods is not valid.</li> </ul>
<p>Industries (IPHHK and Advanced IUI) which process the <i>Community's wood</i></p>	<ul style="list-style-type: none"> <li>• The price of <i>Community's wood</i> which are completed by valid wood document and clear background is definitely more expensive and they are difficult to be found (the difficulties to fulfill the administration requirements of managing the wood and there are collections and local contributions).</li> <li>• People prefer to purchase the wood through brokers or wood collectors, not directly to the wood owners because they do not want to be burdened by managing the wood documents, but the wood background becomes not so clear.</li> <li>• No incentive and price difference between products which come from the certificated wood or TLAS and the Non TLAS.</li> <li>• There are a lot of sawmills and rotaries that make veneer in small scale in the regions where no law entities and clear license and. That affects the supply chain and the legal status of forest products or wood which are being traded in the next process, and also there has not been any control from the government.</li> <li>• There are no procedures or Chain of Custody system (<i>lacak balak</i>) in their industries so that the woods whose origin is from the right forest or <i>Community's wood</i> are not identified clearly.</li> <li>• There is cost for process to get TLAS certification.</li> <li>• Limited human resources who are able to apply the TLAS system in the company.</li> </ul>

## V. CONCLUSION

From the result of activities of Reviewing and Evaluating the Relevant Stakeholders involvement in Implementing TLAS for Timber Sources from HR and HTR, we obtain these following conclusions:

1. The pattern series of *Community's wood* administration which are:
  - Pattern of four series or grooves which consist of primary producers (*Community forest* farmers), collector members, collectors and end-consumers (wood processing industries)
  - Pattern of three series or grooves which consist of primary producers (*Community forest* farmers), collectors and end-consumers (wood processing industries)
2. The Stakeholders who are involved in the TLAS implementation from the *Community's wood* source (HR atau HTR) in the province of West Java, Central Java and East Java are:
  - *Community forest* farmers (land owners) act as the producers of *Community's wood* raw material.
  - Collectors (suppliers) act as the suppliers who provide the *Community's wood* raw material by buying woods from the farmers and also have roles in the distribution process and managing wood legal documents and wood transporting.
  - Head of Village (Kepala Desa/Lurah) who give the *Surat Keterangan Asal-usul Kayu* to apply the Cutting permit to forestry office (Dinas Kehutanan). In some regions like in Kabupaten Ciamis, the Head of Village (Kepala Desa/Lurah) has been appointed as the SKAU publisher.
  - Forestry office in Kabupaten/UPTD has a role in giving the Cutting permit, LHP (production report) approval and endorsement.
  - Associations / NGO have no direct roles in the process of supplying *Community's wood* raw material, but they have more roles in assisting and strengthening the institutional capacity of *Community forest*.
  - Wood Legality Verification Institution has a role in doing verification toward the implementation of wood legality system and also publishing Wood Legality Certificate. The verification is done by Auditor.

3. In the mechanism of wood circulation or Community's wood material supply, there are roles of each stakeholders which are roles in wood administration and also in fulfilling wood legality document and its licensing process based on the pattern which is developed in each step of activities which are:
- *Community forest* farmers (land owners) act as the Owner of the land and *Community's wood* raw material supplier. They provide land ownership certificate and other necessary documents.
  - *Community's wood* Sellers/Collectors (supplier) have roles in bridging the wood demand from the industries to the wood owners or land owners (mediator), preparing documents which are needed for cutting process until transporting the *Community's wood* to industries (cutting license, wood document SKAU or *SKSKB cap "KR"* (wood legality document), and buying the *Community's wood* and selling them to industries.
  - Primary industries of wood processing act as buyers of people logs from collectors (wood sellers) or directly to wood owners/land owners; processing the *Community's wood* becoming finished or unfinished products; delivering wood products to advanced industries or directly exporting to consumers; preparing wood legality documents for shipping (FAKO, invoice, packing list, etc.).
  - Upstream industries of wood processing act as buyers of people logs from collectors (wood sellers) or directly from wood owners/land owners; processing wood raw material becoming finished products; and delivering/exporting finished products completed with necessary export documents.
  - Central and Local Government (Forestry Department, Kecamatan, Head of Village) acts as the makers of policy relate with TUK and *Community's wood* circulation, managing and supervising the circulation and well-organized administration of TUK *Community's wood*, providing documents of SKSHHH (SKAU, SKSKB cap KR, FAKO, etc.), the Official Publishers of SKSKHH (SKAU, SKSKB cap KR, FAKO, etc.) and Cutting Permit/*Surat Ijin Tebang* (in some regions, field verification, etc.).
  - Exporters/traders export forest products completed with the required export documents.
  - Associations have roles to deliver and socialize the TLAS policies to their members, and also push their members to apply the TLAS.
  - NGO/independent monitors have roles in assisting farmer groups or people in implementing the TLAS, supervising the TLAS process as LPI and giving information about the discrepancy of TLAS implementation.

- LVLK (Verification Body of Timber Legality) has roles in doing the timber legality verification and publishing the TLAS certificate.
4. Based on the result of study BPKH IX, DIY and MFP in 2009, the wood potential of *Community forest* in Java and Madura is about 26,363,582 m<sup>2</sup> in details: from the Province of Banten 1,354,739.22 (5%), the Province of West Java 8,821,114.97 m<sup>3</sup> (33%), the Province of Central Java 5,128,540.50 m<sup>3</sup> (19%), DIY 1,734,429.02 m<sup>3</sup> (7%), East Java 9,324,758.29 m<sup>3</sup> (36%).
  5. There are centers of *Community forest* wood producers that spread evenly in every region. *Community forest* in each province generally has same diversity even though there are special characteristics depending on the potential and geographic condition in that region. The amount is not much though. For example, in Kabupaten Ciamis, besides sengon which is the main vegetation, other main plant is mahogany, whereas in the province of Central Java is teak, and in East Java is sonekeling.
  6. The woods which come from HR/HTR are used for raw material requirements for wood industries—in big, medium, and small scale. Kinds of industry that use wood coming from *Community forest* are industries of sawn timber (*kayu gergajian*), veneer, plywood, chips stick, flooring, furniture and bare core. These industries generally exist in industrial centers in each province. Central industry in West Java is in Kabupaten Cirebon and Tangerang. Central industries in Central Java are in Kabupaten Jepara, Cepu, Klaten, Yogyakarta, Semarang, Tegal, Temanggung dan Wonosobo. Central industries in East Java are Gresik, Pasuruan dan Probolinggo.
  7. In TLAS implementation, there are still some problems dealt by stakeholder groups, which are:
    - Status of community farmer land ownership and ownership certificates are not obvious.
    - Lack of knowledge from the wood owners (community forest farmers) about rules of *Community's wood* administration (P.51/menhut-II/2006).
    - The process of selling wood most often is done with the collectors (brokers) and the wood owners do not want to be burdened by managing wood documents. Furthermore, the managing wood documents (SKAU, etc.) related with the wood circulation is complicated. In some regions, it is difficult to get wood documents (like *FA-KB cap KR*).
    - The TLAS policy has not been known and understood because of lacking in socialization about TLAS to community (*Community forest* farmers).
    - The data information about *Community forest* potential and its circulation are still low.



- There has not been any control for timber small-entrepreneurs (sawmills and rotaries or veneer makers) in small scale which have not had law entities and appropriate licenses.
- There are some local government policies that are not synchronized with the central government.
- There are no incentive and price difference between products which came from certified woods or TLAS and Non TLAS.
- There are lots of sawmill and rotary which make veneer in small scale in regions where they do not have legal entity and clear license, and that influences the supply chain and the status of forest product/wood legality that will be traded in the next process. There is no control from government yet.
- Not having procedures or Chain of Custody system in the industries so that woods which came from the right forests or *Community's wood* are not identified clearly.
- There is cost for the process of getting TLAS certification.
- The limitation of human resources who are able to implement the TLAS system in the companies.

Published and Distributed by :



ITTO TFL PD 010/09 Rev. 1 (M)

“Strengthening The Capacity of Related Stakeholders in Java on Implementing New Indonesian TLAS”

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