

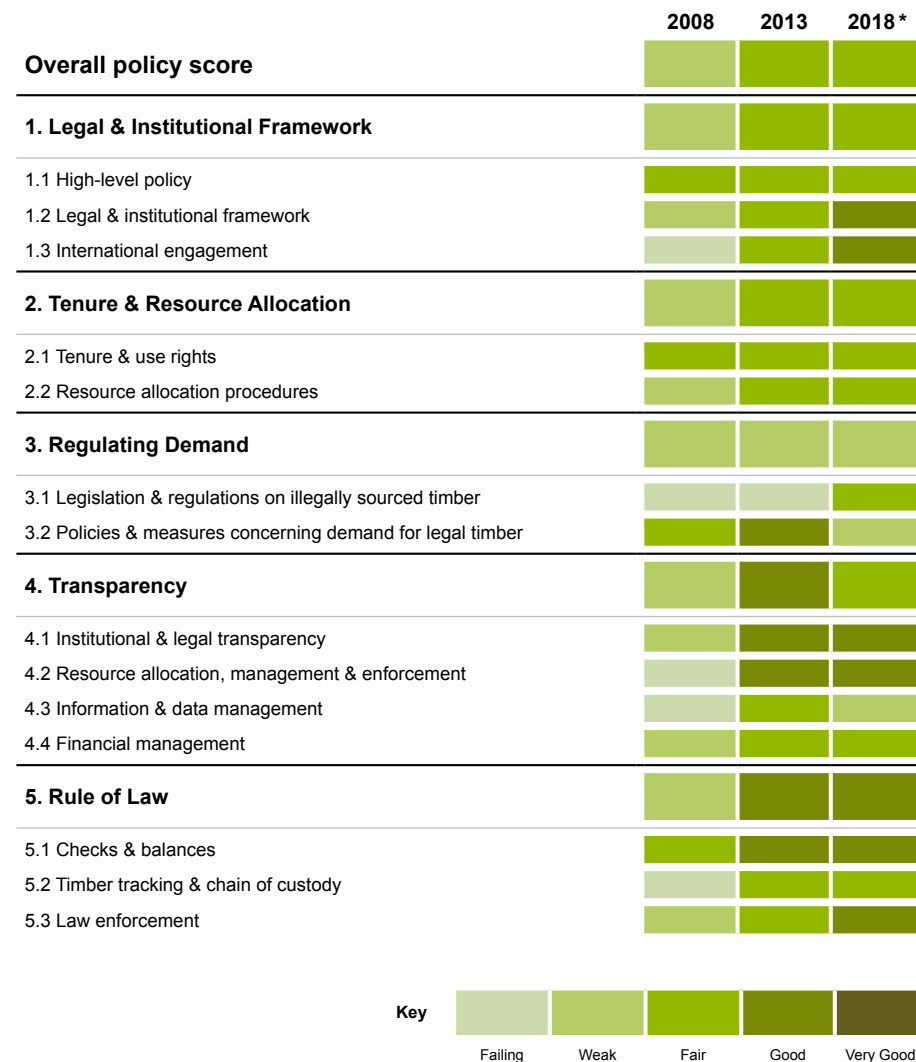
Summary

Since the 2013 Chatham House assessment, the Indonesian government has taken a number of important steps to implement previously established policies and agreements most notably the FLEGT Voluntary Partnership Agreement (VPA) with the EU and the One Map policy. Under the VPA, the country's timber legality verification system has continued to be developed, and in 2016, Indonesia became the first country to issue FLEGT licensed timber. The One Map platform was launched in 2018 and efforts are continuing to reconcile existing data and maps and to resolve conflicts over, and uncertainty about, land tenure.

Reforms have been introduced that reduced the authority of district governments in governing and issuing permits which are considered a positive step in combating corruption. Multi-stakeholder engagement in the sector has remained quite strong, and some improvements have been made in the management of sector data.

However, law enforcement and transparency continue to be weak. Although laws on prevention and suppression of forest illegalities have been enacted since 2013 and a new directorate has been established to coordinate forest dispute resolution and funding for law enforcement is inadequate. Furthermore, disputes over land are widespread and corruption remains prevalent.

Figure 1: Summary of Indonesia's forest policy assessment



Key Forest Policies and Resources

Forestry Act No. 41/1999 regarding forestry, see: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC036649>

Presidential Decree No. 16/2015 on the Ministry of Environment and Forestry, see <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC174324>

Law No. 18 of 2013 on the Prevention and Eradication of Forest Degradation, see <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC137703>

Voluntary Partnership Agreement between the European Union and the Republic of Indonesia on forest law enforcement, governance and trade in timber products into the European Union (FLEGT), see: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22014A0520%2802%29&from=EN>

* A number of questions were added to the assessment in 2018 (noted in the list of questions below). Consequently, the overall scores for 2018 are not directly comparable with those of the previous assessments.

About

Chatham House is monitoring forest governance and legality to assess the effectiveness of government and private sector efforts to tackle illegal logging and trade. An assessment was undertaken of Indonesia's forest policy framework to evaluate the government's response to illegal logging and the related trade. A standard list of questions was used in the policy assessment and answers were scored against 3 criteria: if the policy exists (0-2), how well designed it is (0-5) and how well implemented it is (0-5). (See tables below).

Timeframe for the research

This assessment is based on the situation at the end of 2018 and the scores refer to this date. However, where there have been significant developments in 2019, these have been noted in the text. The research was undertaken in 2018-19 and finalized in June 2019.

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Acronyms and Abbreviations

BAPPENAS	National Development Planning Agency
BPK	State Audit Board
DG	Directorate General
EITI	Extractive Industries Transparency Initiative
FLEGT	EU Forest Law Enforcement, Governance and Trade
FPIC	Free, prior informed consent
GAKKUM	Directorate-General on Law Enforcement for Environment and Forestry
GIZ	German development agency
IPK	Timber utilization permit
KPK	Corruption Eradication Commission
LKPP	National Public Procurement Agency
LVLK	Timber Legality Verification Agency
MoEF	Ministry of Environment and Forestry
NDC	Nationally Determined Contribution to reduce greenhouse gas emissions under the United Nations Framework Convention on Climate Change
NGO	Non-governmental organization
NIB	Single Business Number
PKTHA	Directorate for Managing Conflict, Tenure and Customary Forest
REDD+	Reducing Emissions from Deforestation and Degradation
SILK	Timber Legality Information System
SIPHPL	Information System for the Sustainable Management of Production Forests
SIPUHH	Forest Product Administration Information System
SMEs	Small and medium-sized enterprises
SVLK	Sistem Verifikasi Legalitas Kayu, Timber legality assurance system
VPA	Voluntary Partnership Agreement

Table 1: Indonesia's Forest Policy Assessment

Legal and Institutional Framework

High-level policy	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
1. Does the country have high-level political and governmental mechanisms in place to tackle illegal logging?				
<i>a. Has a review of the causes and severity of illegal logging been conducted by the government?</i>	2008: 0 2013: 0 2018: 0	2008: n/a 2013: n/a 2018: n/	2008: n/a 2013: n/a 2018: n/a	<p>The government has not conducted a comprehensive review of illegal logging.</p> <p>The Ministry of Environment and Forestry (MoEF) published a report in 2018 on the state of Indonesia's forests with support from the UN Food and Agriculture Organization (FAO) and Norway's International Climate and Forest Initiative.¹ The report recognizes illegal logging as one of the drivers of deforestation and forest degradation. It provides an overview of the scale of illegal logging, as well as the steps taken by the country to tackle it, but it does not provide a comprehensive analysis of the issue. This report indicates that the Indonesian government is continuing to review and plan improvements for governance of the forest sector.</p>
<i>b. Is there a national action plan in place for tackling illegal logging?</i>	2008: 2 2013: 2 2018: 2	2008: 3 2013: 4 2018: 4	2008: 3 2013: 3 2018: 4	<p>Since the early 2010s, the government has recognized the severity of illegal logging and has been implementing a range of governance reforms and initiatives to tackle it.</p> <p>Indonesia agreed a Voluntary Partnership Agreement (VPA) with the EU in 2011 which is aimed at tackling illegal logging in the country and under which a wide range of reforms and initiatives have been implemented.² Indonesia has developed a timber legality assurance system (SVLK) which became mandatory for all forest enterprises on 1 January 2014. With the alignment of this system with the VPA, in 2016, Indonesia became the first country to issue FLEGT licences.³</p> <p>In 2015, the government created a Directorate-General on Law Enforcement for Environment and Forestry (GAKKUM), to better protect the country's natural resources through reducing forest-related crimes including illegal logging.</p>
<i>c. Does a formal process exist for high-level coordination of action on illegal logging across departments and sectors e.g. a parliamentary committee or inter-ministerial task force</i>	2008: 2 2013: 2 2018: 2	2008: 3 2013: 3 2018: 4	2008: 2 2013: 3 2018: 4	<p>There is no parliamentary committee for coordinating action on illegal logging. However, mechanisms for such coordination are prescribed in Law 18/2013 on the prevention and eradication of forest destruction. The Ministry of Environment and Forestry has primary responsibility for forest law enforcement, and since 2015, this has been undertaken by GAKKUM (see Q 1b). The ministry seeks to enable multi-agency collaboration on enforcement including data and information sharing through GAKKUM's Center of Intelligence.</p>
<i>d. Are there formal consultation processes in place for multi-stakeholder involvement in developing policy and legislation to tackle illegal logging? These processes should ensure that viewpoints of stakeholders affected by legislation are taken into consideration. (Such processes should take place at central and regional levels of policy development and implementation.)</i>	2008: 1 2013: 2 2018: 2	2008: 2 2013: 4 2018: 4	2008: 2 2013: 4 2018: 4	<p>The EU FLEGT VPA process includes Joint Expert Meetings and technical meetings. These are open to stakeholders and have been convened regularly, for example, two Joint expert meetings were held in 2018.⁴</p> <p>Extensive multi-stakeholder consultations were previously undertaken to develop and implement Indonesia's timber legality assurance system, SVLK, which began to be rolled out in 2010. This process was coordinated by the MoEF and involved other ministries (e.g. Ministry of Trade, Industry, Ministry of Foreign Affairs, Ministry of Economic Coordination), local governments, private sector and civil society.</p> <p>In addition, although not a formal government process, the multi-stakeholder programme funded by the UK Department for International Development (DFID) has facilitated partnerships between central and local government, civil society and the private sector with the goal to implement the EU FLEGT VPA. This began in 2004 and its fourth phase began in 2018.</p>

¹ Nurbaya, S. (ed.) (2018), The State of Indonesia's Forests 2018, Ministry of Environment and Forestry, http://perpustakaan.bappenas.go.id/ontar/file?file=digital/191959-%5B_Konten_%5D-Konten%20E2337.pdf (accessed 28 Nov. 2019).

² EU FLEGT Facility (undated), 'Official documents from the Indonesia-EU VPA process', <http://www.euflegt.efi.int/official-documents-vpa-indonesia>

³ Indonesia & the EU (2017) Annual Report 2017. Implementation of the Indonesia-EU Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade, <http://www.euflegt.efi.int/documents/10180/463576/Indonesia+annual+report+2017.pdf/d0ab2fe7-41b3-50ee-d562-8ef351c3df66>

⁴ Indonesia & the EU (2018), Annual Report 2018. Implementation of the Indonesia-EU Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade, <http://www.euflegt.efi.int/documents/10180/463576/Indonesia+VPA+Annual+Report+2018.pdf/524de41f-c64d-5665-785c-ca4d74f918b6>

High-level policy	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>e. Are there formal processes or policies in place aimed at ensuring a balanced participation of men and women in the development and implementation of forest policies? (Question added in 2018)</i>	2008: - 2013: - 2018: 1	2008: - 2013: - 2018: 3	2008: - 2013: - 2018: 2	<p>The Ministry of Women's Empowerment and Child Protection is tasked with promoting gender equality across all sectors. Furthermore, Presidential Instruction No. 9 (2000) provides for gender mainstreaming in national development and gender has been integrated into the National Medium-Term Development Plan 2015-19.⁵ At the local level, several provinces and districts have established regulations and institutions to support gender-based approaches. For example, West Sumatra has established a regulation on women's empowerment.⁶</p> <p>The Ministry of Environment and Forestry appointed a Gender Working Group in 2012. With support from the German development agency, GIZ, the working group has revised the Ministerial Decree SK Menhut No.528/Menhut-II/Peg/2004 on the Guideline for the Implementation of Gender Mainstreaming and has integrated gender issues into the Ministry's Forestry Strategic Plan (RENSTRA 2015-19).⁷</p> <p>However, although gender issues have been integrated into high-level strategies, this has yet to be translated into processes to ensure the balanced participation of men and women in policy development and implementation.⁸ Gender has yet to be specifically included in forestry laws or regulations. Furthermore, women remain poorly represented in decision-making bodies at the local level, for example, in committees and associations at village level.⁹</p> <p>The one exception is within REDD+. Safeguards on gender are in place for REDD+ initiatives and the participation of women has been ensured in the development of these, for example, in its REDD+ Readiness programme in East Kalimantan and Sumatra.¹⁰</p>
<i>f. Is illegal logging considered in the country's climate change strategy e.g. INDC, REDD strategy or other climate change national policy? (Question added in 2018)</i>	2008: - 2013: - 2018: 2	2008: - 2013: - 2018: 3	2008: - 2013: - 2018:	<p>In 2009, Indonesia made a commitment to reduce its greenhouse gas emissions by 26 per cent by 2020, or by 41 per cent with international assistance, and the reduction of emissions from deforestation and peatland conversion was recognized as key to achieving this. To reduce emissions from the sector, the national REDD+ strategy (2012) identifies the improvement of laws and regulations, and strengthening law enforcement, as priorities. Proposed activities to achieve this included: implementation of a verification system for timber legality and sustainable forest management certification, capacity strengthening for prosecutors and police and the formation of a 'Green Bench' of judges for adjudicating over environmental cases.¹¹ Enforcement of the 2011 presidential moratorium on new deforestation permits in primary forest and peatland was also included. The moratorium was extended in 2013 and 2016 – and it was made permanent in 2019.¹²</p> <p>Indonesia's Nationally Determined Contribution to reduce greenhouse gas emissions under the UN Framework Convention on Climate Change (2016) reset its target date for reducing its emissions by 29 per cent, or by 41 per cent with international assistance, to 2030. REDD+ is noted as being an important component of achieving these targets in the land-use sector. In setting these targets, illegal logging and unplanned deforestation are included in the assumptions for estimating emissions under the 'business as usual' scenario.¹³</p> <p>The REDD+ strategy has not been fully implemented and momentum was reportedly lost in 2015 due to changes in government.¹⁴ However, there has been progress in many areas and deforestation rates have declined. In response to this reduction in deforestation, Norway made its first payment to Indonesia in 2019 under its 2010 agreement with the country to provide financial contributions for verified emission reductions.¹⁵</p>

⁵ Republic of Indonesia (2014) National Medium Term Development Plan, 2015-19. <https://climate-laws.org/cclow/geographies/79/policies/1328>

⁶ Governor of West Sumatra (2017), Regulation No 28, 2017 <http://jdih.birohukum.sumbarprov.go.id/detail/peraturan/426/peraturan-gubernur-sumatera-barat-nomor-28-tahun-2017.html>

⁷ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (undated), 'Gender Mainstreaming in the "Forests and Climate Change Programme" (FORCLIME) in Indonesia', <https://genderstrategy.giz.de/gender-competition-2017/gender-mainstreaming-forclime-indonesia/>

⁸ FAO and The Center for People and Forests (RECOFTC) (2015), Mainstreaming gender into forest policies in Asia and the Pacific, FAO and RECOFTC, Bangkok, Thailand, www.fao.org/fileadmin/templates/rap/files/meetings/2015/150212_final_report.pdf

⁹ Marcoes, L. (2015), Achieving Gender Justice in Indonesia's Forest and Land Governance Sector: How civil society organisations can respond to mining and plantation industry impacts, The Asia Foundation, <https://asiafoundation.org/resources/pdfs/IDGenderJusticeForestry.pdf>

¹⁰ Republic of Indonesia (2017), REDD+ Readiness Self-Assessment for Indonesia submitted to the Forest Carbon Partnership Facility, <https://www.forestcarbonpartnership.org/system/files/documents/FCPF%20Indonesia%20R%20Package%20-%20Final%20revised%20July%2028%20version.pdf>

¹¹ Indonesian REDD+ Task Force (2012), Indonesia National REDD+ Strategy, <https://www.unredd.net/documents/un-redd-partner-countries-181/national-reddstrategies-1025/15862-indonesia-national-redd-strategy.html>

¹² Diela, T. (2019), 'Indonesia has just made its moratorium on forest clearance permanent', World Economic Forum, 14 Aug. 2019, <https://www.weforum.org/agenda/2019/08/indonesia-president-makes-moratorium-on-forest-clearance-permanent/>

¹³ First Nationally Determined Contribution Republic of Indonesia, 2016, https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Indonesia%20First/First%20NDC%20Indonesia_submitted%20to%20UNFCCC%20Set_November%20%202016.pdf

¹⁴ Korhonen-Kurki, K., Brockhaus, M., Muharrom, M. E., Juhola S. and Dwitsatrio, B. (2015), Analyzing REDD+ as "an experiment" of transformative climate governance – Insights from Indonesia, https://www.see.leeds.ac.uk/fileadmin/Documents/research/sri/Multi-level_governance/ESEE_2015_Kaisa.pdf (accessed 25 Nov.2019).

¹⁵ Royal Norwegian Embassy in Jakarta (2019), 'Indonesia reports reduced deforestation, triggering first carbon payment from Norway', press release, 16 February 2019, <https://www.norway.no/en/indonesia/norway-indonesia/news-events/news2/indonesia-reports-reduced-deforestation-triggering-first-carbon-payment-from-norway/>

Legal and Institutional Framework	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p>2. Is forest legislation and regulation coherent and unambiguous? <i>(Question added in 2018)</i></p>		<p>2008: 2 2013: 3 2018: 4</p>		<p>Clarity and coherence of the forest legislation and regulations has improved. This has been in large part due to the development of the SVLK and the elaboration of a timber legality definition under the VPA which have resulted in clarification and reform of the legislation.</p>
<p>3. Is the legislation and regulation for artisanal and micro-scale enterprises coherent and unambiguous, or example, considering all relevant areas of law such as fiscal, rights of association, SMEs, forestry etc. <i>(Question added in 2018)</i></p> <p><i>(Artisanal and micro-scale enterprises are defined respectively as those with 1-3 and 4-10 employees.)</i></p>		<p>2008: - 2013: - 2018: 3</p>		<p>There are a series of regulations and guidelines that provide for artisanal and micro-scale enterprises and reforms have been introduced. However, the legal framework still lacks coherence and remains complex making compliance a challenge.</p> <p>Extension services have been provided to support SMEs in complying with the requirements of the SVLK system and FLEGT licensing including with the support of FAO¹⁶ and DFID.¹⁷ The small-scale sector still lags behind, however, in part because of the size of the sector as well as the limited capacity and resources of those operating in it.¹⁸ For instance, SME vendors of SVLK certified furniture have faced challenges with the electronic procurement system because of the requirement to have a minimum 'stock' for immediate delivery of goods purchased (see Q.10).</p> <p>Under the Ministry of Environment and Forestry Regulation n. P.30/MenLHK/Setjen/PHPL.3 of 2016, household enterprises and craftsmen are defined as those with investment of up to five million Indonesian Rupiah (~USD350) and employing 1-4 people and small industry as those with investment of up to IDR 200 million (~USD14,000).¹⁹</p>
<p>4. Is there legislative and/or institutional coherence across sectors?</p> <p><i>a. Are formalized forest laws and regulations consistent and harmonized with other laws and regulations affecting forests e.g. for land-use planning, agriculture, mining etc.</i> <i>(Question added in 2018)</i></p> <p><i>(Formalized here is used to distinguish between laws designed and enacted by national government and customary practices/norms of indigenous peoples and local communities).</i></p>		<p>2008: 1 2013: 2 2018: 2</p>		<p>There is a large degree of conflict between forestry laws and those for other sectors.²⁰ Although the 'One Map' initiative (see Q 4d), and the development of the SVLK, have helped in this regard, there remain contradictions and lack of clarity. For example, there is a lack of coherence between national policies aimed at reducing deforestation and those for the development of the palm oil sector.²¹ Furthermore, regional autonomy laws are unclear leading to uncertainty over jurisdiction and hampering coordination between forestry departments.²²</p>

¹⁶ Food and Agriculture Organization of the United Nations (FAO) (2018) 'Indonesia and FAO renew cooperation in support of forest governance and timber legality', 24 May, 2018, <http://www.fao.org/indonesia/news/detail-events/en/c/1135890/>

¹⁷ Multistakeholder Forestry Programme (undated), 'Multistakeholder Forestry Programme 3', Multistakeholder Forestry Programme, Indonesia, <http://silk.dephut.go.id/app/Upload/repos/20190625/8bd35e90562b7196ddae2304139f5ecd.pdf>

¹⁸ Obidzinski, K., Dermawan, A., Andrianto, A., Komarudin, H. and Hernawan, D. (2014), 'The timber legality verification system and the voluntary partnership agreement (VPA) in Indonesia : Challenges for the small-scale forestry sector', Forest Policy and Economics, 48 : 24-32, <http://dx.doi.org/10.1016/j.forpol.2014.06.009>

¹⁹ Minister of Environment and Forestry Indonesia (2016), Regulation n. P.30/MenLHK/Setjen/PHPL.3 of 2016, http://www.rinya.maff.go.id/j/riyou/goho/kunibetu/dn/6-P30-MenLHK-Setjen-PHPL.3-3-2016_EN_idn.pdf

²⁰ Toumbourou, T (undated), Improving Indonesia's Forest and Land Governance using a Delphi Approach to Identify Efficacious Interventions, The Asia Foundation, <https://asiafoundation.org/resources/pdfs/ImprovingLandGovernanceIndonesia.pdf>

²¹ Pacheco, P. (2016), 'Zero deforestation in Indonesia: Pledges, politics and palm oil', Forests News, 7 Jan. 2016, <https://forestsnews.cifor.org/39085/zero-deforestation-in-indonesia-pledges-politics-and-palm-oil?fnl=en>

²² Ziegenhain, P. (2016), 'Decentralisation and its impacts on the democratisation process'in: Haug, M., Rössler, M. and G.A.-T. (eds) (2016), Rethinking Power Relations in Indonesia. Transforming the margins, Routledge. <https://pdfs.semanticscholar.org/55d7/6a9db9c4dd00f4d251b56a9a01c9960d0e75.pdf>

Legal and Institutional Framework	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p><i>b. Is there a legal framework for selling or licensing of any timber resulting from forest clearance driven by activities in other sectors? (Question added in 2018)</i></p>	<p>2008: - 2013: - 2018: 2</p>	<p>2008: - 2013: - 2018: 3</p>	<p>2008: - 2013: - 2018: 2</p>	<p>There is a legal framework for the licensing of timber resulting from forest clearance driven by activities in other sectors.</p> <p>Timber utilization permits (IPK) are required to use timber obtained from converting forest to non-forest activities such as agriculture and mining. In order to obtain an IPK, the standing timber potential and land classification must be checked. IPKs are regulated by MoEF Regulation P.62/Menlhk-Setjen/2015. To sell the timber harvested from an IPK, the operator must have an SVLK certificate for harvesting (as set out in P.14/PHPL/SET/4/2016 and P.15/PHPL/PPHH/HPL.3/8/2016).</p> <p>However, since 2012, IPKs have not been required in the case of clearing forest to make way for industrial tree plantations. This is important, as such plantations are among the main drivers of deforestation in Indonesia.</p>
<p><i>c. Is there a legal framework for selling or licensing of timber produced by informal enterprises? (Question added in 2018)</i></p> <p><i>(Informal enterprises are defined as those that are owned and controlled by member(s) of a household(s), are unincorporated, are unregistered, their size falls below a certain threshold, do not have a complete set of accounts, produce goods that are meant for sale or barter etc.)</i></p>	<p>2008: - 2013: - 2018: 1</p>	<p>2008: - 2013: - 2018: 2</p>	<p>2008: - 2013: - 2018: 3</p>	<p>There is no legal framework for the selling or licensing of timber produced by informal enterprises.</p> <p>Initiatives are underway to enable informal operators to formalize. One way this is being done is by making the process to obtain a timber license easier. Presidential Decree No. 98/2014 recognizes one-page permits for micro and small enterprises who can apply for a license through a simplified procedure and at a lower cost. However, individuals who are timber traders must still register as micro, small or medium enterprises as defined in Law No. 20 of 2008. This law defines such enterprises as a productive entity owned by an individual or individual business unit, excluding foreign-owned or foreign-invested firms, and with a limited amount of annual sales and assets.²³</p>
<p><i>d. Are there systems in place for cross-sectoral coordination between ministries and agencies responsible for planning and land-use allocation? (Question added in 2018)</i></p>	<p>2008: - 2013: - 2018: 2</p>	<p>2008: - 2013: - 2018: 2</p>	<p>2008: - 2013: - 2018: 2</p>	<p>The Deliberative Forum for National Planning (as set out in Law 25/2004) includes provisions for harmonization within sectoral ministries (i.e. forestry, mining, plantation) and with sub-national organizations. Coordination on government administration is also required under Law 30/2014 which is the umbrella law for measuring government performance. However, design of the processes for coordination is weak and implementation is not mandatory.</p> <p>In 2015, the Ministry of Land and Spatial Planning was established to combine the functions of spatial planning and land registration and administration which were previously dealt with by different organizations. The National Spatial Planning Coordination Board, headed by the director of the National Development Planning Agency (BAPPENAS), is responsible for coordinating local governments' work on spatial planning, enhancing local planning capacity and supporting the development and implementation of plans.</p> <p>In December 2018, a unified land-use chart was launched – the One Map initiative.²⁴ This initiative, conceived in 2011, seeks to reduce conflict by clarifying land holdings. It should provide a means of enabling cross-sectoral coordination although the extent to which it will be used for land-use allocation and planning remains unclear.</p>

²³ International Finance Corporation (IFC) (2016), Women-owned SMEs in Indonesia: A Golden Opportunity for Local Financial Institutions, IFC, https://www.ifc.org/wps/wcm/connect/260f2097-e440-4599-91ec-e42d45cf3913/SME+Indonesia+Final_Eng.pdf?MOD=AJPERES&CVID=jj8qhPY

²⁴ ESDM One Map (undated), 'Indonesia Overview', <https://geportal.esdm.go.id/indonesia-overview/#close>; World Resources Institute (WRI) (undated), 'Understanding Indonesia's OneMap Initiative', <https://www.wri.org/tags/understanding-indonesias-onemap-initiative> (accessed 26 Nov. 2019).

Legal and Institutional Framework	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
5. Is gender considered within policy-making and implementation?				
<i>a. Is there a designated agency/ focal point with the mandate to ensure gender perspectives are mainstreamed in forest policies? (Question added in 2018)</i>	2008: - 2013: - 2018: 2	2008: - 2013: - 2018: 4	2008: - 2013: - 2018: 2	As noted in Q1e, a Gender Working Group was established within the Ministry of Environment and Forestry in 2012 with the mandate to mainstream gender in the sector. Some work has been undertaken to integrate gender perspectives into policies – for example into the 2015-19 Forestry Strategic Plan – but this has yet to be implemented at the level of forestry regulations. For example, gender considerations were reportedly not addressed in the community forestry regulation nor the regulation on the issuance of permits for harvesting non-wood forest products. ²⁵
<i>b. Are there processes or policies in place to assess gender impacts in the development and implementation of forest policies? (Question added in 2018)</i>	2008: - 2013: - 2018: 2	2008: - 2013: - 2018: 3	2008: - 2013: - 2018: n/a	There are processes in place for monitoring of gender mainstreaming within the government. For example, BAPPENAS undertook an evaluation of gender mainstreaming in national development to assess implementation of the 2000 Presidential Decree on this issue. ²⁶ This agency also published guidelines on monitoring of gender in 2012. ²⁷ Under GIZ's Forests and Climate Change Programme 'FORCLIME', auditors from the Inspectorate General have also been trained to monitor implementation of the gender provisions in the 2015-19 Forestry Strategic Plan. ²⁸ Implementation of provisions on gender included within REDD+ safeguards have been monitored (see Q.1e). However, elsewhere in the sector, there is limited information available on the extent to which these processes have been deployed.

²⁵ FAO and RECOFTC (2015), Mainstreaming gender into forest policies in Asia and the Pacific, http://www.fao.org/fileadmin/templates/rap/files/meetings/2015/150212_final_report.pdf

²⁶ National Development Planning Agency (BAPPENAS) (2006), Evaluasi Pengarusutmaan Gender Di Sembilan Sektor Pembangunan Tahun 2006, https://www.bappenas.go.id/files/8813/8373/7789/evaluasi_PUG-9-sektor-2006.pdf

²⁷ BAPPENAS (2012), Indeks Kesetaraan dan Keadilan Gender (IKKG) & Indikator Kelembagaan Pengarusutamaan Gender (IKPUG): Kajian Awal, <https://www.bappenas.go.id/id/profil-bappenas/unit-kerja/deputi-sdm/dit-kpppa/kajian-direktorat-kependudukan-pemberdayaan-perempuan-dan-perlindungan-anak/3772-ikkg-ikpuq-kajian-awal/>

²⁸ FORCLIME (2016), Pengarusutamaan Gender di Sektor Kehutanan, https://www.forclime.org/documents/Briefing%20Note/Bahasa/BR%207%20-%20Gender_Ind.pdf

International engagement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
6. What level of international cooperation has been shown by the country?				
<i>a. Does the country have formalized trade or customs arrangements with major trading partners e.g. FLEGT VPAs or free trade agreements which include specific provisions on illegal logging?</i>	2008: 1 2013: 2 2018: 2	2008: n/a 2013: 5 2018: 5	2008: n/a 2013: 3 2018: 4	<p>Indonesia began negotiating a FLEGT VPA with Europe in 2007. The agreement was signed in 2013 and ratified in 2014. In 2016, Indonesia became the first country to issue FLEGT-licensed timber.²⁹</p> <p>Since then, Indonesia has been having bilateral discussions with Japan, South Korea and China to explore the potential for them to officially recognize FLEGT within their own strategies and policies related to tackling the illegal trade in timber.</p> <p>Indonesia is also active in the APEC's Experts Group on Illegal Logging and Associated Trade which aims to promote the legal trade in forest products. The country also has long-standing memoranda of understanding on combatting illegal logging and trade with the UK since 2002, China since 2002, Japan since 2003 and the USA since 2006, although the provisions within these are very general.</p>
<i>b. Does the country have a system in place for sending and receiving enforcement alerts regarding illegal shipments in transit to destination countries?</i>	2008: 0 2013: 1 2018: 1	2008: n/a 2013: 1 2018: 1	2008: n/a 2013: 1 2018: 2	<p>Since 2010, the Indonesian government has been collaborating with UN agencies including the UN Office on Drugs and Crime and UN Convention Against Corruption. After a series of dialogues involving Interpol, in 2011 the National Police issued the Chief of National Police Regulation No 5/2011 regarding the Utilization of Interpol Networking and ASEANAPOL Networking in Indonesia. The alert system is based on the electronic ASEANAPOL Database System (e-ADS) through which Interpol can issue a notice. Notices can be issued for offences including illegal logging, corruption and environmental crime in a member country.</p> <p>Real-time data on timber exports is accessible to the public through the online Timber Legality Information System, SILK, launched in 2012.³⁰ The system does not issue alerts, however, analysis of this data has been used to suspend shipments and apply penalties to exporters. Enforcement agencies in importing countries are also able to use the system to verify the documentation of timber exports. This includes competent authorities in Europe, who are able to check FLEGT licences.</p>

²⁹ EU FLEGT Facility (undated), 'Indonesia: All about the Indonesia-EU Voluntary Partnership Agreement', <http://www.euflegt.efi.int/indonesia>

³⁰ Sistem Informasi Legalitas Kayu (SILK) (undated), website homepage, <http://silk.dephut.go.id/index.php>

Tenure and Resource Allocation

Tenure and use rights	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
7. Are property, use rights and tenure arrangements clearly defined, documented and secure including those of indigenous and local communities?				
<i>a. Does the law require that property, use rights and tenure arrangements are set out on publicly accessible maps and/or Geographical Information Systems (GIS) and demarcated at ground-level?</i>	2008: 2 2013: 2 2018: 2	2008: 1 2013: 1 2018: 3	2008: 1 2013: 2 2018: 2	<p>Land use rights and tenure are required to be demarcated on the ground and recorded on maps. Further, the 2008 Freedom of Information Act stipulates that data on land use must be publicly available. Based on MoEF Decree No 22/2017, the government should also publish Indicative Maps on Social Forestry Areas, these to be revised every six months.</p> <p>However, data is not readily available from the government, especially that related to extractive industries. In 2016, the Supreme Court ruled in favour of the NGO Forest Watch Indonesia which had filed a report requesting the release of information on certain plantations, but as of March 2018, the Ministry of Agrarian and Spatial Planning had not complied with this.³¹</p> <p>In December 2018, the One Map Initiative was launched online.³² This initiative is working to produce a unified land-use map for the country in order to provide clarity over land holdings and so reduce conflict.³³ Progress is being made in compiling and reconciling data but there remains a huge amount of work to be done to complete the task.³⁴</p>
<i>b. Are there formalized mechanisms in place for resolving conflicting or overlapping property rights?</i>	2008: 2 2013: 2 2018: 2	2008: 2 2013: 3 2018: 3	2008: 2 2013: 3 2018: 3	<p>Since 2015, the main responsibility for forest conflict resolution lies with the Directorate General of Social Forestry and Environmental Partnerships of the MoEF. A special unit, the Directorate for Managing Conflict, Tenure and Customary Forest (PKTHA), has been established within it to handle tenure conflicts through mediation. The mediation process involves the following stages: desk research, assessment, pre-mediation, mediation, and the drafting and signing of a Memorandum of Understanding between parties. As of 2017, the PKTHA website claimed it has handled at least one third of tenure-related conflict cases (66 out of 195 cases).³⁵</p> <p>The One Map Initiative is another mechanism through which the government aims to address land conflicts.³⁶</p> <p>There are also a number of non-governmental processes that focus on conflict resolution. These include the Working Group on Forest Land Tenure whose members include government institutions, NGOs, the private sector and academic institutions³⁷ and the Impartial Mediators Network which focuses on conflict resolution in the natural resource sector.³⁸</p> <p>However, conflict over natural resources and land remains widespread and capacity for conflict resolution, particularly at the local level, is limited. By the end of 2018, it was reported that over 800,000 hectares of land were subject to disputes – many involving palm oil plantations.⁴⁰</p>

³¹ Jong, H. N. (2018), 'Public access to Indonesian plantation data still mired in bureaucracy', Mongabay, 8 Mar. 2018, <https://news.mongabay.com/2018/03/public-access-to-indonesian-plantation-data-still-mired-in-bureaucracy/>

³² ESDM One Map (undated), 'Indonesia Overview', <https://geoportal.esdm.go.id/indonesia-overview/#close>

³³ World Resources Institute (undated), 'Understanding Indonesia's OneMap Initiative', <https://www.wri.org/tags/understanding-indonesias-onemap-initiative>. See also Ndereba, M. (2018), 'Mapping out the progress of Indonesia's One Map Policy Initiative', University of Maryland School of Public Policy in Bali, Sulawesi, Sumatra, and Java, 4 Mar. 2018, <https://publicpolicyindonesia.wordpress.com/2018/03/04/mapping-out-the-progress-of-indonesias-one-map-policy-initiative/>

³⁴ Chandran, R. (2019), 'Too many' maps slow return of Indonesia's indigenous land', Reuters, 13 Jun. 2019, <https://www.reuters.com/article/us-indonesia-landrights-lawmaking/too-many-maps-slow-return-of-indonesias-indigenous-land-idUSKCN1TE11C>; Shahab, N. (2016), 'Indonesia: One Map Policy', Open Government Partnership, https://www.opengovpartnership.org/wp-content/uploads/2001/01/case-study_Indonesia_One-Map-Policy.pdf

³⁵ Direktorat PKTHA (undated), 'Direktorat PKTHA', <http://pskl.menlhk.go.id/pktha/pengaduan/frontend/web/index.php?r=site%2Fdirektorat-pktha>

³⁶ GIZ (2016), Supporting Forest Conflict Resolution in Indonesia through Mediation: Experiences from multi-stakeholder processes at national and local levels in Kalimantan, https://www.forclime.org/documents/Brochure/English/Conflict%20resolution_GIZ-WGT_Engl.pdf

³⁷ Working Group on Forest Land Tenure, website homepage, <http://wg-tenure.org/en/>

³⁸ Impartial Mediator Network, website homepage, <http://imnetwork.org/>

³⁹ GIZ (2016), Supporting Forest Conflict Resolution in Indonesia through Mediation: Experiences from multi-stakeholder processes at national and local levels in Kalimantan, https://www.forclime.org/documents/Brochure/English/Conflict%20resolution_GIZ-WGT_Engl.pdf

⁴⁰ Chandran, R. (2019), 'Too many' maps slow return of Indonesia's indigenous land', Reuters, 13 Jun. 2019, <https://www.reuters.com/article/us-indonesia-landrights-lawmaking/too-many-maps-slow-return-of-indonesias-indigenous-land-idUSKCN1TE11C>

Tenure and use rights	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>c. Are there formalized mechanisms in place for accommodating customary rights in law and regulations?</i>	2008: 2 2013: 2 2018: 2	2008: 2 2013: 3 2018: 3	2008: 2 2013: 2 2018: 3	<p>Under the Constitutional Court Decision 35/2012, 'customary forests' are no longer classified as 'state forest' which means that indigenous communities are able to claim the right to manage and own their customary forests. It has been estimated that the ruling affects 30 per cent of Indonesia's estate (around 40 million ha).⁴¹</p> <p>A number of regulations have been passed that include mechanisms for the recognition of customary rights. P.32/Menlhk-Setjen/2015 on forest rights lays out the requirements for customary forest rights to be formally recognized. It also indicates that customary forests previously recognized by Regional Regulation or Decree of the Regional Head remain valid and formally recognized as customary forests. P83/2016 on social forestry lists owners of customary forests as potential applicants for Social Forestry programmes.</p> <p>Most recently, Presidential Regulation No. 88 of 2017 on Land Tenure Settlements in Forest Areas states that land tenure settlements will be allocated in forest areas controlled and used by communities.⁴² Progress with the allocation of rights has been slow with an estimated 1.9 million hectares allocated by 2017.⁴³</p>
<i>d. Does the legal and policy framework provide for gender-equal use rights and tenure?</i> <i>(Question added in 2018)</i>	2008: - 2013: - 2018: 2	2008: - 2013: - 2018: 2	2008: - 2013: - 2018: 2	<p>Men and women can be granted joint title over land although this is rarely done in practice. Lack of awareness and limited institutional capacity amongst registration officials are among the reasons for this.</p> <p>Who is named in the land certificate is important because only those who are property owners are able to join cooperative associations and access agricultural extension services. Moreover, training opportunities for women are limited because only the male heads of households are usually invited.⁴⁴</p>

⁴¹ Jong, H. N. (2019), 'Customary land map, a first for Indonesia, launches to mixed reception', Mongabay, 26 Jun. 2019, <https://news.mongabay.com/2019/06/customary-land-map-a-first-for-indonesia-launches-to-mixed-reception/>

⁴² International Work Group for Indigenous Affairs (undated), 'Indigenous peoples in Indonesia', <https://www.iwgia.org/en/indonesia>

⁴³ Chandran, R. (2019), 'Too many' maps slow return of Indonesia's indigenous land', Reuters, 13 Jun. 2019, <https://www.reuters.com/article/us-indonesia-landrights-lawmaking/too-many-maps-slow-return-of-indonesias-indigenous-land-idUSKCN1TE11C>

⁴⁴ FAO (undated), Gender and Land Rights Database, Gender and Land Rights Database, http://www.fao.org/gender-landrights-database/country-profiles/countries-list/land-tenure-and-related-institutions/en/?country_iso3=IDN

Resource allocation procedures	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
8. Do resource allocation regulations and procedures include measures consistent with good forest governance?				
<i>a. Is there a prequalification process which is designed to exclude inappropriate bidders from resource allocation awards?</i>	2008: 0 2013: 0 2018: 0	2008: n/a 2013: n/a 2018: n/a	2008: n/a 2013: n/a 2018: n/a	<p>The processes for obtaining rights to timber are set out in MoEF Regulation 28/2018. The regulation specifies the types of entities that can apply for permits: registered companies, cooperatives, partnerships and alliances. Businesses are required to have a Single Business Number (NIB) which is obtained through a simple online process.⁴⁵ Non-compliance with relevant regulations can result in the NIB being suspended.⁴⁶</p> <p>While the regulation sets out a number of technical requirements that must be met in order for applications to be valid, there do not appear to be any specific requirements regarding the applicants themselves that would exclude inappropriate bidders.</p>
<i>b. Is there a competitive award process which is designed to be open to all eligible bidders?</i>	2008: 2 2013: 2 2018: 2	2008: 2 2013: 2 2018: 2	2008: 2 2013: 2 2018: 2	<p>The award process is open to all eligible bidders but it is unclear how competitive the process is. The process is implemented through the website of the MoEF's Licensing Information Service⁴⁷ Regulation 28/2018 sets out the technical requirements for bids which include a technical proposal, an environmental permit and sworn statements that the area requested does not exceed the maximum area allowed by law. Applicants must also present a recommendation from the local governor that the application is compatible with the applicable spatial plan. The director general then reviews the application and approves or denies it depending on whether the requirements have been met.</p>
<i>c. Does the law require prior informed consent procedures or stakeholder consultations for local communities with respect to logging interests and rights to be carried out?</i>	2008: 2 2013: 2 2018: 2	2008: 1 2013: 1 2018: 3	2008: 1 2013: 1 2018: 2	<p>Prior to awarding timber concessions and plantations on state land, free prior informed consent must be obtained. This is a requirement for legality verification of forest management areas under the SVLK (P.43/2014).</p> <p>More broadly, since the 2000s, free, prior informed consent (FPIC) has been increasingly incorporated into various licensing regulations in Indonesia. Additionally, local community consultation has been a part of environmental licensing since 1999 but this has improved community involvement only marginally. Despite the requirements for FPIC and community consultation, implementation is poor and safeguards to prevent the issuing of permits/concessions for land where local communities live but have not officially been recognized are limited.⁴⁸ As such, FPIC requirements do not adequately address the lack of tenure security associated with the lack of documentation of customary forests.</p>
<i>d. Are measures to protect and develop forest-based livelihood opportunities for local communities within concession areas built into concession contracts?</i>	2008: 2 2013: 2 2018: 2	2008: 2 2013: 2 2018: 3	2008: 2 2013: 2 2018: 2	<p>Companies are required to implement community development programmes in the communities surrounding their concession areas. However, implementation of this requirement is patchy with smaller companies in particular often failing to comply.</p> <p>In addition, social forestry schemes, also known as transferred rights, are a type of forest rights recognized under the Forestry Act No. 41/1999 and regulated under P.83/MENLHK/SETJEN/KUM.1/10/2016, MoEFor 39/2017 and MoEFor 49/2017. These schemes (e.g. community forests, community-based tree plantations, village forests) aim to improve livelihood opportunities for communities, in particular, by improving their access to and use of forest resources. The National Medium-Term Development Plan 2015-2019 aims to award 12.7 million hectares to local communities in social forestry licenses including local and customary forests. However, implementation has been slow: as of 2019, only 2.5 million hectares have been awarded.⁴⁹</p>

⁴⁵ World Bank Group (2020), Doing Business 2020, Economy Profile Indonesia, <https://www.doingbusiness.org/content/dam/doingBusiness/country/i/indonesia/IDN.pdf>

⁴⁶ Herbert Smith Freehills (2018), Indonesia's Foreign Investment Regime Liberalised by New OSS System, 1 Aug. 2018, <https://www.herbertsmithfreehills.com/latest-thinking/indonesia%E2%80%99s-foreign-investment-regime-liberalised-by-new%E2%80%8E-oss-system>

⁴⁷ Kementerian LHK (undated), 'Pelayanan Informasi Perizinan', <http://lpp.dephut.go.id/home>

⁴⁸ See for example: Hicks, R. (2017), 'Indonesia: Protesters accuse Asia Pulp & Paper of using Bonn Challenge to hide failure to get free and prior informed consent for projects in the region', Business & Human Rights Resource Centre, 13 May, 2017, <https://www.business-humanrights.org/en/indonesia-protesters-accuse-asia-pulp-paper-of-using-bonn-challenge-to-hide-violations-to-get-free-and-prior-informed-consent-before-using-lands-in-the-region>; and Colchester, M. (2019), 'Land conflicts and rights violations spoil Indonesia's efforts to curb deforestation', Forest Peoples Programme, 29 Nov. 2019, <http://www.forestpeoples.org/en/lands-forests-territories/news-article/2019/land-conflicts-and-rights-violations-spoil-indonesias>

⁴⁹ Nurbaya, S. (ed.) (2018), The State of Indonesia's Forests 2018, http://perpustakaan.bappenas.go.id/lontar/file?file=digital/191959-%5B_Konten_%5D-Konten%20E2337.pdf

Regulating Demand

Legislation & regulations on illegally sourced timber	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
9. Does the country have adequate legislation and regulations in place to prevent illegally sourced timber from being imported or sold?				
<i>a. Has the country analysed its existing legislation and regulations on preventing imports and sales of illegally sourced timber? (Question added in 2018)</i>	2008: - 2013: - 2018: 2	2008: - 2013: - 2018: 3		During the negotiation and implementation of its VPA with the EU, Indonesia has undertaken analysis of its legislation. This has resulted in a range of reforms to support implementation of the SVLK system including legislation to prevent illegal imports (see Q 9b). The country has continued to review its legislation throughout the VPA process. Most recently, a working paper was published exploring the potential for applying Indonesia's timber legality assurance system in customary forests. ⁵⁰
<i>b. Has additional legislation been enacted and regulations put in place to prevent illegally sourced timber from being imported or sold?</i>	2008: 0 2013: 0 2018: 2	2008: n/a 2013: n/a 2018: 3	2008: n/a 2013: n/a 2018: 3	<p>The Ministry of Trade and the MoEF have harmonized their procedures for imports, to ensure the effectiveness of the SVLK and FLEGT licensing. The MoT regulations include Regulation No. 97/M-DAG/PER/ 11/2015, later revised under Regulation No. 13/2018, stating that importers of all forest products must meet import requirements.</p> <p>MoEF has issued a number of regulations (most recently Regulation P.3/PHPL/PPHH/HPL.3/1/2018) that set out the requirements for importers to implement due diligence to prevent the entry of illegal timber into the country.</p> <p>Under these regulations, importers of timber into Indonesia are required to obtain a license as either an importer of goods for further distribution or as an importer for their own manufacturing. Importers are required to submit information on the products being imported via the SILK portal⁵¹ including information on legality. This latter can include: 1) FLEGT licenses 2) mutual recognition agreements 3) country specific guidelines, 4) third party certification and 4) certification by the relevant authorities of the country of origin.</p> <p>Up until January 2018, the MoEF checked this information and on this basis would issue import recommendations. However, as of February 2018, these checks take place after import and are undertaken by the Timber Legality Verification Agencies (LVLK) – the organizations responsible for verifying the legality of timber operators for the SVLK.⁵²</p>
<i>c. If there is legislation in place to prevent the import of illegal timber, how broad is the product scope of this legislation? (Question added in 2018)</i>		2008: - 2013: - 2018: 5		The legislation applies to a broad scope of timber products – 402 HS codes. These are listed in Ministry of Trade Regulation No 97/M-DAG/PER/11/2015 and its revision No 13/2018. ⁵³
<i>d. If there is legislation in place to prevent the import of illegal timber, does it apply only to importers & those that are first place on the market or to all those along the supply chain? (Question added in 2018)</i>		2008: - 2013: - 2018: 5		The legislation applies to all operators in the supply chain.

⁵⁰ Meridian, A. H., Valentinus, A., Ferdyan, D. H., Minangsari, M., Kosar, M., Sari, A. S and Hasyim, Z. (2018), SVLK: A Process toward Accountable Governance, Indonesian Independent Forest Monitoring Network, (JPIK), <http://jpiik.or.id/info/wp-content/uploads/2018/Laporan/SVLK-A%20Process%20toward%20Accountable%20Governance.pdf>

⁵¹ Sistem Informasi Legalitas Kayu (SILK) (undated), website homepage, <http://silk.dephut.go.id/>

⁵² Details are available in MoEF circular letter, Surat Edaran No. SE.2/PPHH/NEIP/HPL.3/5/2018 tentang Pedoman Pemeriksaan Hasil Uji Tuntas (Due Diligence) dan Pembuatan Deklarasi Impor Produk Kehutanan, available at: http://silk.dephut.go.id/index.php/download/regulation_impor

⁵³ Meridian, A. H., Valentinus, A., Ferdyan, D. H., Minangsari, M., Kosar, M., Sari, A. S and Hasyim, Z. (2018), SVLK: A Process toward Accountable Governance, <http://jpiik.or.id/info/wp-content/uploads/2018/Laporan/SVLK-A%20Process%20toward%20Accountable%20Governance.pdf>

Legislation & regulations on illegally sourced timber	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>e. If there is legislation in place to prevent the import of illegal timber, does it include a requirement on businesses to implement due diligence? (Question added in 2018)</i>		2008: - 2013: - 2018: 3		Importers are required to undertake due diligence (see Q 9b). In cases of non-compliance, the operator's SVLK certificate is revoked.
<i>f. Is implementation of the policy systematically monitored and assessed? (Question added in 2018)</i>		2008: - 2013: - 2018: 3		Implementation of the policy on imports (as well as the SVLK, S-PHPL, V-legal Documents) is overseen by independent monitors. (see also Q 21f.) However, it is not known whether there is a system in place for the government to monitor the impact (for example, on timber imports or importing businesses) or the effectiveness (in reducing illegal imports) of this policy.

Policies & measures to promote demand for legal timber	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p>10. Is there a public procurement policy in place excluding illegal and/or unsustainable timber products from government purchasing? (Question added in 2018)</p>	<p>2008: - 2013: - 2018: 1</p>		<p>2008: - 2013: - 2018: 2</p>	<p>Illegal timber or timber products are not specifically excluded from government purchases.</p> <p>Until March 2018, public procurement was regulated through Presidential Regulation No 54/2010 and subsequent amendments and implementing regulations (referred to as PR 54). The 2010 decision incorporated environmentally sound practices into Indonesian public procurement processes, stipulating that 'eco-friendly procurement' should be implemented to ensure that it can bring benefits to the government, community and economy with minimal impact on the environment. It noted that eco-friendly procurement may lead to the wise use of natural resources by tenderers, for example, through the inclusion of an environmental impact assessment in tenders or the use of recycled materials. It also noted that such procurement takes into account value for money 'given that controlling environmental impact usually involves some additional costs'. This decision was supplemented by Law No 32/2009 on Environmental Protection and Management which requires government officials to prioritize goods or services that carry eco-labels.⁵⁴</p> <p>No specific labels or certification schemes were named in this law. However, in 2015 MoEF introduced requirements that all timber products procured are SVLK certified (circular No. S553/UM-4/2015).</p> <p>In March 2018, Presidential Regulation n. 16 of 2018 came into force, replacing PR 54. This new regulation focuses on improving procurement procedures, including improving the sustainability of procurement. It defines sustainable procurement of goods and services as a process that must guarantee economic profitability for public and private stakeholders and communities while significantly reducing the negative impact on the environment through the entire lifecycle of the good or service (article 50). Environmental aspects to be considered include the impact of the good or service on health, air, soil and water quality and the legality of the use of natural resources related to the good or service (article 68). Sustainable procurement must also empower small businesses guaranteeing fair working conditions as well as promoting the participation of micro and small businesses and promote diversity (article 68). Moreover, the articles on internal monitoring mandate the public figure carrying out the supervision of the procurement of goods to supervise the sustainability of the process although no further details on this are provided (article 76). An additional change under this regulation is to introduce an electronic system for sharing information on tenders and bids.⁵⁵ However, the regulation does not make reference to timber products.</p> <p>The National Public Procurement Agency (LKPP) is responsible for the development and implementation of procurement policies including the provision of guidance and monitoring implementation. It has also set up a registration platform for SVLK certified companies to enable procurement officials to identify them. The participation of SMEs in electronic procurement presents challenges, both because of limited internet capabilities and because of the need to have a minimum stock, to enable immediate delivery of goods.</p> <p>However implementation of the sustainability requirements is weak: procurement officials tend to interpret the efficiency principle to mean that lowest priced products should be prioritized over sustainability criteria.</p>
<p><i>a. What level of adherence does the policy require?</i> (Question added in 2018)</p>		<p>2008: - 2013: - 2018: 3</p>		<p>Environmental and sustainability criteria can be used in public procurement, but these are not mandatory, with the exception of the MoEF policy which requires SVLK certified timber.</p>
<p><i>b. Does the policy cover all timber products including paper?</i> (Question added in 2018)</p>		<p>2008: - 2013: - 2018: 5</p>		<p>The Presidential Regulations apply to all goods although they do not list specific products.</p>

⁵⁴ Tomossy, G. and Alam, S. (2017), 'Shifting Public Procurement towards Sustainability: A comparative case study of Indonesia and Australia', Australian Journal of Asian Law, Vol 18(2): 1-14, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3144889

⁵⁵ Conventus Law (2018), 'New Developments In Indonesian Public Procurement Law', 15 May 2018. <http://www.conventuslaw.com/report/new-developments-in-indonesian-public-procurement/> and Soemadipradja & Taher (2018), 'Client Update: New Regulation on Public Procurement of Goods/Services', <https://www.soemath.com/public/en/article/read/373/Client-Update.-New-Regulation-on-Public-Procurement-of-Goods-Services>

Policies & measures to promote demand for legal timber	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>c. Does the policy rest on independent certification or verification schemes or equivalent for identifying legal products? (Question added in 2018)</i>		2008: - 2013: - 2018: 3		No specific labels or certification schemes have been listed to date in the overarching procurement regulations. However, the MoEF policy requires SVLK certification.
<i>d. Is assistance offered to government purchasers e.g. advice, guidance, training etc? (Question added in 2018)</i>		2008: - 2013: - 2018: 1		The LKPP is in charge of producing guidelines for procurement but little guidance has been provided on sustainable procurement. ⁵⁶
<i>e. Is implementation of the policy systematically monitored and assessed? (Question added in 2018)</i>		2008: - 2013: - 2018: 3		The LKPP is responsible for monitoring implementation of public procurement but monitoring is weak. The use of electronic procurement will facilitate monitoring in future.
<i>f. Does the procurement policy apply to sub-national (provincial, regional, local) government? (Question added in 2018)</i>		2008: - 2013: - 2018: 3		The Presidential Decision N. 16/2018 on public procurement applies only to the national budget. Thus, central government agencies, including those operating in the regions, are not subject to this policy and provincial and district governments are only subject to it when using national funds. The autonomous states of Papua and Aceh are not subject to these regulations. However, some provincial and local administrations have developed public procurement policies, for example, Klaten, Jombang and Jepara Regencies have all introduced regulations that require the procurement of SVLK certified timber. ⁵⁷
11. Do forest-related policies encourage legal timber production and discourage illegal timber production by ensuring that the level of demand does not exceed legal supply?				
<i>a. Does the permitting system for primary wood processing facilities require evidence of sufficient legal sources of raw material?</i>	2008: 2 2013: 2 2018: 2	2008: 4 2013: 4 2018: 4	2008: 1 2013: 3 2018: 3	Under MoEF Decree No. 9/2012 and DG SFM Circular No SE-5/2016 (the latter for SMEs), every primary wood processing company has to submit a raw material supply plan. This system is audited by the LVLKs. ⁵⁸

⁵⁶ Tomossy, G. and Alam, S. (2017), 'Shifting Public Procurement towards Sustainability: A Comparative Case Study of Indonesia and Australia'..

⁵⁷ Tuharno, T., Pumaweni, H. and Muhammad, F. (2019), Policy on Timber Legality Verification System for Sustainable Public Procurement and Green Products. E3S Web of Conferences 125, 28 October 2019, <https://doi.org/10.1051/e3sconf/201912510001>

⁵⁸ Sucofindo (undated), First Annual Overview of the TLAS Operationality in Indonesia, <http://silk.dephut.go.id/app/Upload/hukum/20180406/86399d9d6774bedd9373b8a144fa8359.pdf>

Transparency

Institutional & legal transparency	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
12. Is there a unified document which describes the roles, responsibilities and controls for all agencies involved in regulating forest utilization and trade from harvest rights allocation to point of sale or export and is it accessible to the public?	2008: 1 2013: 2 2018: 2	2008: 2 2013: 3 2018: 3	2008: 1 2013: 3 2018: 3	Institutional roles and responsibilities are set out in various pieces of legislation. The Information System for the Sustainable Management of Production Forests (SIPHPL) provides an overview of the agencies involved in regulating the forest sector.
13. Is there a legal requirement to make forest legislation and regulations readily accessible to the public? <i>(Question added in 2018)</i>	2008: - 2013: - 2018: 2	2008: - 2013: - 2018: 4	2008: - 2013: - 2018: 3	<p>Under Indonesia's Public Information Disclosure Act of 2008, which came into force in 2010, Indonesian citizens and corporations have the right to access such information. The Act requires public institutions to develop regulations on access to information by the public and the Ministry of Environment and Ministry of Forestry (since merged into the MoEF) have done so.</p> <p>The EU-Indonesia VPA includes an annex on transparency (Annex IX) that sets out: the forestry-related information to be made available to the public (ii) the bodies responsible for making that information available and (iii) the mechanisms by which it can be accessed. The information required to be made available to reinforce monitoring of the timber legality assurance system includes 'all laws, regulations, standards and guidelines listed in the legality standar'd. The role of civil society organizations in monitoring the SVLK, and their right to access the information required for this purpose, is also provided for under Regulation P.14/PHPL/SET/4/2016.</p> <p>In spite of these legal requirements, civil society have faced challenges in accessing information. This is the partly the result of limited resources but also because a culture of transparency has yet to be established in many parts of government. Civil society organizations have had to resort to the courts to confirm their right to access information from the MoEF.⁵⁹</p>

⁵⁹ Jong, H. N. (2018), 'Public access to Indonesian plantation data still mired in bureaucracy', Mongabay, 8 Mar. 2018, <https://news.mongabay.com/2018/03/public-access-to-indonesian-plantation-data-still-mired-in-bureaucracy/>

Transparency in resource allocation, management & enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
14. Do policies, laws or regulations contain provisions designed to ensure that resource allocation and management is carried out transparently?				
<i>a. Do policies, laws or regulations stipulate that rules for resource allocation processes e.g. concession allocation and competitions are made publicly available?</i>	2013: 2 2018: 2		2013: 3 2018: 3	The rules for resource allocation processes are required to be made publicly available. Sections 64-72 of the Forestry Act set out the processes for resource allocation.
<i>b. Do policies, laws or regulations stipulate that dates for when resource allocation processes are to be held are made publicly available?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: 3 2018: 3	There is no specific requirement that these dates are made publicly available and published automatically but such information can generally be obtained on request.
<i>c. Do policies, laws or regulations stipulate that the results of resource allocation processes are made publicly available e.g. bids and awards for concession allocation and competitions?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: 3 2018: 3	There is no specific requirement that the results of resource allocation processes are made publicly available. However, in most cases the public is informed through the media or the results are made available on request.
<i>d. Do policies, laws or regulations stipulate that up to date summary data is published on harvesting, processing and international trade?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: 1 2018: 1	There is no specific requirement that up to date summary data is published on harvesting, processing and international trade and such data is not easily available even through formal requests.

Transparency in resource allocation, management & enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
15. Do policies, laws or regulations contain provisions designed to ensure transparency in concession use?				
<i>a. Do policies, laws or regulations stipulate that information on location of concessions, ownership and contact details is publicly available?</i>	2008: 0 2013: 2 2018: 2	2008: n/a 2013: 5 2018: 5	2008: 1 2013: 2 2018: 2	The provision of this information is a requirement under the VPA. The Licensing Information Service ⁶⁰ provides general information on applicants for concessions (company name, size and location of concession being sought and the stage and status of the application) but detailed information is not publicly available.
<i>b. Do policies, laws or regulations stipulate that information on concession contracts, inventories and plans are publicly available i.e. long term and annual forest management and harvest plans?</i>	2008: 0 2013: 2 2018: 2	2008: n/a 2013: 5 2018: 5	2008: 1 2013: 2 2018: 2	This is a requirement under the VPA. Summary information is published – for example, the Central Bureau of Statistics has published summary reports on forest concessions (area, production, employment etc.). However, detailed information on contracts, inventories and work plans are not available.
<i>c. Do policies, laws or regulations stipulate that results of environmental and social impact assessments and mitigation measures are publicly available?</i>	2008: 2 2013: 2 2018: 2	2008: 5 2013: 5 2018: 5	2008: 3 2013: 3 2018: 3	Under Law No. 32 of 2009 regarding Environmental Protection and Management, businesses are required to provide environmental management information in a correct, accurate, open and punctual manner. The VPA also lists 'Environmental Impact Assessment documents and minutes of public consultation meetings required for the development of the Environmental Impact Assessment report' as among the types of information that should be made publicly available. However, accessing such information – including the results of impact assessments and management plans – is difficult. ⁶¹ In 2018, a review of the process for conducting environmental impact assessments was announced in order to improve its efficiency and effectiveness. ⁶² The findings were due to be released in 2019 but it was discontinued before completing its work.

⁶⁰ Kementerian LHK (undated), 'Pelayanan Informasi Perizinan', <http://pp.dephut.go.id/home>

⁶¹ Dawborn, D., Goerke, M., Prijono, N. R. and Rachman, A. (2017), Major projects: environmental risks in Indonesia: overview, Thomson Reuters Practical Law, 1 Apr. 2017 <https://rb.gy/bbvw8l> (accessed 16 Dec. 2019).

⁶² Gokkon, B. (2018), 'Indonesia to strengthen environmental impact assessments through process review', Mongabay, 24 Jan. 2018, <https://news.mongabay.com/2018/01/indonesia-to-strengthen-environmental-impact-assessments-through-process-review/>

Transparency in resource allocation, management & enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
16. Do policies, laws or regulations contain provisions designed to ensure that information on enforcement activities is publicly available?				
<i>a. Do policies, laws or regulations stipulate that data is published on forest crimes including success rates on detection, interdiction, prosecution and conviction including fines levied and fines paid and volumes seized?</i>	2008: 0 2013: 2 2018: 2	2008: n/a 2013: 3 2018: 3	2008: 2 2013: 2 2018: 2	<p>The VPA includes some data on forest crimes in the list of information that should be made publicly available. This includes: certificates that have failed the SVLK audit process, cases of non-compliance relevant to auditing and licensing and the actions taken to address these.</p> <p>Some data on forest crimes are presented in the MoEF's annual statistics reports and it is also expected that data on the status of cases of non-compliance with the SVLK will be made available on the SILK website. GAKKUM also compiles and publishes some data on forest crimes.</p>
<i>b. Do policies, laws and regulations stipulate that information on disposals of confiscated wood or results of public auctions of confiscated wood or other kinds of public bidding are publicly available?</i>	2008: 0 2013: 2 2018: 2	2008: n/a 2013: 3 2018: 3	2008: 1 2013: 3 2018: 3	<p>MoEF Regulation 26/2017 on the handling of confiscated goods from forest crime states that there should be a report of such information suggesting that it should be made publicly available.⁶³</p> <p>Such data are made available on MoEF's website.</p>

⁶³ Republic of Indonesia, P.26/MENLHK/SETJEN/KUM.1/4/2017. Available at: <http://ditjenpp.kemenkumham.go.id/arsip/bn/2017/bn642-2017.pdf>

Information & data management	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p>17. Is there an up-to-date, accurate information management system in place through which relevant government agencies can access data related to forest enforcement and management?</p> <p><i>This information management system could include elements such as forest inventories, remote sensing imagery and harvest permits and licenses, forest management plans, centralized repository of maps, transportation documents and processing licenses and records.</i></p>	<p>2008: 0 2013: 1 2018: 1</p>	<p>2008: n/a 2013: 3 2018: 4</p>	<p>2008: n/a 2013: 3 2018: 3</p>	<p>The Information System, SIPHPL, includes data on forest management, transport, trade and revenues, enabling government agencies to access and analyse data related to forest management and enforcement. It was launched in 2018, and at the time of this assessment, was still being implemented.</p>
<p>18. Is there an up-to-date, accurate information system in place to gather data on employment in the forest sector? (Question added in 2018)</p>	<p>2008: - 2013: - 2018: 1</p>	<p>2008: - 2013: - 2018: n/a</p>	<p>2008: - 2013: - 2018: n/a</p>	<p>There is no information system for employment data although sectoral data are compiled by the relevant ministries. MoEF publishes summary data on employment in the sector.⁶⁴ The National Statistics Agency also reports on this publishing an annual report on the country's labour force.⁶⁵</p>

⁶⁴ Nurbaya, S. (ed.) (2018), The State of Indonesia's Forests 2018, http://perpustakaan.bappenas.go.id/lontar/file?file=digital/191959-%5B_Konten_%5D-Konten%20E2337.pdf

⁶⁵ See for example: Badan Pusat Statistik (2018), Keadaan Angkatan Kerja di Indonesia Agustus 2018, <https://www.bps.go.id/publication/2018/11/30/6d8a8eb26ac65717bd170fca/keadaan-angkatan-kerja-di-indonesia-agustus-2018.html>

Financial management	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
19. Is there an effective financial management system in place for the forest sector?				
<i>a. Does the forest administration have a system for monitoring revenue collected from utilization of forest resources against revenue owed as well as a procedure for investigating discrepancies?</i>	2008: 0 2013: 2 2018: 2	2008: n/a 2013: 3 2018: 4	2008: n/a 2013: 2 2018: 2	Companies are required to report data on log production in a Timber Cruising Report or a Timber Inventory Report to the government via the Forest Product Administration Information System (SIPUHH) which has been integrated within the SIPHPL. ⁶⁶ The technical officer for Sustainable Production Forest Management, overseeing the SIPUHH system, generates a Statement of Log Legality, Log and Processed Timber Transportation documents. These include identification barcodes, data on payments, non-tax revenue and log lists. The technical officer then verifies and reconciles the information provided by the company with other information available in the SIPHPL system. Regulations introduced in 2015 introduced sanctions for those that failed to report through this platform (DG Regulation P.17/2015 and P.18/2015).
<i>b. Is there an audit of the forest administration whose findings are publicly available?</i>	2008: 2 2013: 2 2018: 2	2008: 2 2013: 2 2018: 2	2008: 2 2013: 3 2018: 3	Financial audits of government agencies are carried out by the State Audit Board, BPK. While audit reports have been published on the BPK website every year since 2009, it is unclear to what extent the information is complete and up to date. Furthermore, the comprehensiveness of the investigations is not known. While the executive summaries of these reports indicate that the MoEF has undergone a 'fiscal transparency implementation' audit every year from 2014-18, details of this analysis are not included in any of the audit's reports. In 2019, the BPK published an audit report on the Sustainable Development Goals. While the report assesses the country's readiness and level of implementation of the goals, it does not mention the MoEF nor the forestry sector. ⁶⁷
20. Does the country report on its forest sector to the EITI? (Question added in 2018)	2008: - 2013: - 2018: 0		2008: - 2013: - 2018: 0	Indonesia joined the Extractive Industries Transparency Initiative in 2010 but does not report on its forest sector. ⁶⁸

⁶⁶ SIPUHH Dashboard, <http://sipuhh.net/dashboard/>; Meridian, A. H., Valentinus, A., Ferdyan, D. H., Minangsari, M., Kosar, M., Sari, A. S and Hasyim, Z. (2018), SVLK: A Process toward Accountable Governance, <http://jipik.or.id/info/wp-content/uploads/2018/Laporan/SVLK-A%20Process%20toward%20Accountable%20Governance.pdf>

⁶⁷ Badan Pemeriksa Keuangan Republik Indonesia (undated), Laporan Hasil Pemeriksaan, https://www.bpk.go.id/laporan_hasil_pemeriksaan

⁶⁸ Extractive Industries Transparency Initiative (2020), Indonesia Overview, <https://eiti.org/indonesia>

Rule of Law

Checks and balances	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
21. Are mechanisms (checks and balances) in place to ensure government fully applies forest law and regulations?				
<i>a. Does the law make provisions for protecting the rights of the public to mount legal challenges against forest management decisions/practices and failure by the government to apply forest law?</i>	2008: 2 2013: 2 2018: 2		2008: 2 2013: 3 2018: 3	<p>It is possible for individuals and legal entities whose interests have been harmed by an administrative decision to mount a legal challenge against it but only under limited circumstances. The process of challenging state administrative decisions is regulated by the Administrative Judicature Act No 5 of 1986. According to the Act, the State Administration Court considers a legal challenge to administrative decisions that are in writing, individualized, concrete and binding (article 1(9)). Individuals can challenge an administrative decision on two grounds: if it (1) breaches an applicable law and/or (2) breaches 'principles of good governance'. These principles are understood to mean legal certainty, orderly state administration, openness, proportionality, professionalism and accountability. Since these are broad concepts, they can be difficult to prove and the courts interpret them narrowly.</p> <p>If an administrative decision is challenged successfully, the claimant can seek various remedies such as the invalidation of the decision and compensation. However, claimants face a number of challenges e.g. applicants can only challenge a decision within 90 days from the date it is published or the applicant receives it, citizens or entities adversely affected by a decision, but who are not named in it, have 90 days to challenge it from the time 'their interests were affected'.⁶⁹</p> <p>It is particularly difficult for indigenous peoples to make legal challenges. In 2013, a constitutional court decision (MK No.35/2012) furthered the recognition of indigenous rights over land in declaring that customary forest is not part of the state-controlled forest zone. However, a Draft Law on the Recognition and Protection of the Rights of Indigenous People, first presented to parliament in 2012, has yet to be finalized. Further legal recognition of indigenous peoples' communities and of their land rights would elevate their legal standing and so better enable them to challenge administrative decisions that affect their land.⁷⁰</p>
<i>b. Does the law stipulate penalties for staff for corruption?</i>	2008: 2 2013: 2 2018: 2	2008: 4 2013: 4 2018: 4	2008: 2 2013: 2 2018: 2	<p>The law does set out penalties for staff engaged in corruption. Law No 31 of 1999 (as amended in 2011 by Law No 20 of 2011) refers to a range of corrupt activities including activities that result in losses to the state's finances, bribery, extortion and conflict of interest in procurement. Corruption cases are considered in a dedicated corruption court (pursuant to Law No 46/2009) and the penalties can include fines, imprisonment and capital punishment (the latter for corruption involving funds intended for: national disaster, riots, economic crisis, amongst others).⁷¹</p>
<i>c. Does the law include clear limits to the power of forest ministers or equivalent or other senior government officials to override forest-related laws, regulations and procedures e.g. concession allocation procedures? Does the law limit discretionary powers?</i>	2008: 1 2013: 1 2018: 1		2008: 3 2013: 3 2018: 3	<p>The Indonesian Constitution bestows on the state the power to control and allocate natural resources for public purposes. The ambiguity contained in this power provides the government with broad discretion over policies concerning land and forest conversion.</p> <p>Furthermore, the decentralization of forest management in Indonesia has resulted in wide discretionary powers being granted to local forest officials without adequate accountability mechanisms.⁷² However, Law No 23/2014 on Sub-National Governance enhanced the authority of provincial governments, and so currently, most decision-making on forests takes place at the provincial level and in Jakarta. This has helped to reduce corruption and misconduct at the district level.</p>

⁶⁹ Butt, S. and Lindsey, T. (2018), Indonesian Law, Oxford University Press, New York.

⁷⁰ Rogers, C. (2018), 'What's next for Indonesia's stalled indigenous rights bill?', Mongabay, 3 May 2018, <https://news.mongabay.com/2018/05/whats-next-for-the-indonesias-stalled-indigenous-rights-bill/>; <http://www.mongabay.co.id/2018/03/21/pemerintah-diminta-jeli-menyusun-ruu-masyarakat-adat/>

⁷¹ Rahmansyah, D. and Mooduto, N. A. P. (2020), Bribery & Corruption 2020, Indonesia, Global Legal Insights, <https://www.globallegalinsights.com/practice-areas/bribery-and-corruption-laws-and-regulations/indonesia>

⁷² Martini, M. (2012), Causes of corruption in Indonesia, Anti-Corruption Resource Centre, <https://www.u4.no/publications/causes-of-corruption-in-indonesia.pdf>

Checks and balances	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>d. Does a parliamentary committee, or equivalent, have formal oversight over the national government forest service and associated agencies?</i>	2008: 2 2013: 2 2018: 2	2008: 4 2013: 4 2018: 4	2008: 3 2013: 3 2018: 3	<p>Parliamentary Commission IV has formal oversight over the Ministry of Forestry. It is one of 11 commissions within the House of Representatives and it has responsibility for agriculture, plantations, fisheries and food as well as forestry.</p> <p>The Commission has been controversial at times. For instance, in 2012, it threatened to freeze the budget for reforestation projects if the president extended the forest moratorium.⁷³ Members of the Commission have been implicated in corruption cases in the past, for example, in 2009, nine of its members were found to have accepted bribes.</p>
<i>e. Is there a system in place through which relevant government departments and agencies carry out self-monitoring of their performance and internal corruption investigation. (This could be carried out by an internal or external inspectorate which includes making the findings public.)</i>	2008: 2 2013: 2 2018: 2	2008: 3 2013: 3 2018: 3	2008: 2 2013: 3 2018: 3	<p>The Corruption Eradication Commission (KPK), created under Law No.30/2002, is a body independent from the executive, legislative and judiciary and audited by BPK. It is responsible for investigating and prosecuting corrupt acts, undertaking preventative action against corruption and monitoring state governance.</p> <p>KPK is known for its sting operations which have resulted in the arrest of high-ranking state officials and cases have been successfully prosecuted. However, overall the number of cases investigated and pursued is low because of understaffing and limited financial resources. This situation has worsened in recent years with reductions in its budget and staffing.⁷⁴ A law was passed in 2019 that reduces the powers of the Commission and reduces its independence from the executive.⁷⁵</p> <p>The BPK also conducts financial audits of all government agencies including the MoEF (see Q 19b).</p>
<i>f. Is there an independent national forest monitoring system in place?</i>	2008: 0 2013: 2 2018:	2008: n/a 2013: 4 2018: 4	2008: n/a 2013: 3 2018: 4	<p>A role for independent monitoring by civil society is formally recognized in Indonesia's VPA and in the SVLK. The role and obligations of independent monitors is set out in MoEF Regulation P.30/MenLHK/Setjen/PHPL.3/3/2016 in Chapter III on monitoring. Civil society has the mandate to oversee the operation of the SVLK – they can submit complaints about the audits conducted on businesses and about the bodies tasked with undertaking these audits (Conformity Assessment Bodies, also known as Timber Legality Verification Agencies, LVLK). There are a number of civil society networks operating across the country including: Aliansi Pemantau Independen Kehutanan Sumatera, Eyes on the Forest, Jaringan Pemantau Independen Kehutanan and Koalisi Anti Mafia Hutan.</p> <p>However, the country's independent monitoring networks have faced challenges.⁷⁶ For example, obtaining information from the government has been difficult at times requiring them to turn to the courts.⁷⁷ Their work is also heavily dependent on donor funding although a trust fund foundation is under development to help provide a sustainable funding base.⁷⁸</p>
22. Is customs specifically mandated to check that timber consignments meet the country's forestry-specific legal export requirements?	2008: 2 2013: 2 2018: 2		2008: 3 2013: 4 2018: 4	<p>Customs Law No 10/1995 and its revision (17/2006) mandate customs to check that exported goods have the necessary documentation and specify the applicable penalties for non-compliance. For example, exporting goods without the required documents carries a maximum sentence of 10 years imprisonment and a fine of up to IDR5 billion (~USD370,000).⁷⁹</p> <p>The implementation of INATRADE, an electronic system for cross-checking documents including invoices, packing lists and FLEGT or V-Legal licenses, has streamlined processes. However, customs do not routinely undertake physical checks and they do not compare FLEGT license information with shipment documents.</p> <p>Sucofindo, a state-owned company, undertakes pre-shipment inspections for certain timber products (i.e. woods sawn or chipped lengthwise, sliced or peeled, sanded or end-jointed, of a thickness exceeding 6mm (HS4407); plywood, veneered panels and similar laminated wood (HS4421); builders' joinery; and carpentry of wood including cellular wood panels assembled flooring panels, shingles and shakes (HS4418)).⁸⁰ A surveyor's report must be submitted alongside the export declaration to customs at the port of export.</p>

⁷³ Casson, A., Muliasta, Y. I. K. D. and Obidzinski, K. (2014), Large-scale plantations, bioenergy developments and land use change in Indonesia, CIFOR Working Paper 170. P.74, <https://www.cifor.org/library/5434/>

⁷⁴ Abbot, M. (2017), 'Indonesia's Corruption Eradication Commission Law Weathers the Storm, For Now', The Diplomat, 7 Sept. 2017, <https://thediplomat.com/2017/09/indonesias-corruption-eradication-commission-law-weathers-the-storm-for-now/>

⁷⁵ Buehler, M. (2019), 'Indonesia takes a wrong turn in crusade against corruption', Financial Times, 2 Oct. 2019, <https://eprints.soas.ac.uk/31667/1/BuehlerFinancialTimes2019.pdf>

⁷⁶ Meridian, A. H., Valentinus, A., Ferdyan, D. H., Minangsari, M., Kosar, M., Sari, A. S and Hasyim, Z. (2018), SVLK. A Process Toward Accountable Governance, <http://jplk.or.id/info/wp-content/uploads/2018/Laporan/SVLK-A%20Process%20toward%20Accountable%20Governance.pdf>

⁷⁷ Fern (undated), 'NGO Victory Signals Greater Transparency in Indonesia's Forests', <https://www.fern.org/news-resources/ngo-victory-signals-greater-transparency-in-indonesias-forests-740/>

⁷⁸ Independent Forest Monitoring Fund website, <https://www.forestfund.or.id/en/>

⁷⁹ World Resources Institute (2016), Forest Legality Initiative, Risk Tool, Indonesia, <https://forestlegality.org/risk-tool/country/indonesia> (accessed 27 Nov. 2019).

⁸⁰ EU FLEGT Facility (2019), 'FLEGT licensing: lessons from Indonesia's experience', http://www.euflegt.efi.int/documents/10180/467581/FLEGT+Licensing+-+lessons+from+Indonesias+experience_SCREEN.pdf/

Timber tracking & chain of custody	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
23. Are there effective mechanisms in place to detect instances of illegal timber entering the supply chain?				
<i>a. Is there a system in place designed to verify the origin of timber i.e. forest management unit in transport, transfer and delivery?</i>	2008: 2 2013: 2 2018: 2	2008: 2 2013: 4 2018: 4	2008: 2 2013: 3 2018: 4	Indonesia's timber legality assurance system, SVLK, is a mandatory system to verify the legality of all timber from state-owned and private forests. The system entails independent inspections of timber supply chains by LVLKs – a role undertaken by private independent companies. This includes verification of the origin of the timber, permits for timber harvesting (if on state forests), proof of land ownership (if private), transport permits and any other legal documentation required. ⁸¹ The use of DNA identification techniques is being explored as a means to detect and prevent laundering of timber. ⁸²
<i>b. Does the system design include the following components?</i>				
<i>i. Independent monitoring procedures by independent government body or third party?</i>	2008: 0 2013: 2 2018: 2	2008: n/a 2013: 4 2018:	2008: n/a 2013: 3 2018: 4	Independent monitoring of the SVLK is undertaken by civil society who have the mandate to check on the LVLKs and on their audits of companies (see Q 21f). In 2016, it was reported that there were 95 civil society organizations engaged in such work. ⁸³ As noted in Q 21f, these organizations have faced challenges in gaining access to the necessary information. ⁸⁴
<i>ii. Reconciliation systems</i>	2008: 0 2013: 0 2018: 2	2008: n/a 2013: n/a 2018: n/a	2008: n/a 2013: n/a 2018: n/a	The system to verify the origin of timber does not include an automatic reconciliation mechanism – this can only be done manually. A new information system was launched in 2018 – the Information System for the Sustainable Management of Production Forests, SIPHPL. The SIPHPL integrates a number of existing systems. These include the Forest Product Administration Information System, Non-Tax State Revenue System, Industrial Raw Material Receipt Plan Information System and Timber Legality Information System (SILK). The integration of these different systems should enable reconciliation of data although its ability to do so is still to be tested. ⁸⁵
<i>iii. Tamper-resistant documentation procedures</i>	2008: 1 2013: 2 2018: 2	2008: 2 2013: 4 2018: 4	2008: 1 2013: 3 2018: 3	Procedures to minimize the risk of tampering are listed in Appendix 7 of the Ministry of Forestry Regulation P.8/VI-BPPHH/2012. These include that the form for legality certification (V-legal document) must be completed by an SVLK certified author who must be verified by the LVLK; it must be completed digitally; and it can include no corrections. Before issuing the V-legal document, the LVLK also has the mandate to cross-check different supply documents listing forest products and conduct physical inspections if contradictions are found. ⁸⁶
<i>iv. Computerized systems</i>	2008: 0 2013: 2 2018: 2	2008: n/a 2013: 2 2018: 2	2008: n/a 2013: 2 2018: 3	Data from the SVLK system is held digitally in the SILK database. ⁸⁷ However, SVLK licenses are paper-based and the MoEF is undertaking a feasibility study into the use of electronic licensing. ⁸⁸
<i>c. Does the system also cover timber for the domestic market as compared to systems explicitly targeting exports? (Question added in 2018)</i>	2008: - 2013: - 2018: 2	2008: - 2013: - 2018: 3	2008: - 2013: - 2018: 1	The SVLK system covers the domestic market although implementation to date has focused on licences to international markets. A large number of small-scale enterprises, mainly supplying the domestic market, have not been able to meet the requirements for certification. However, there are initiatives by MoEF to bring all operators under the SVLK, for example, through providing support to SMEs and the use of public procurement.

⁸¹ EU FLEGT Facility (2017), 'Background: The Indonesia-EU Voluntary Partnership Agreement', <http://www.euflegt.efi.int/background-indonesia>

⁸² Cetera, K., Said, Z., Qomariah, I. N., Wijaya, A. and Boer, F. D (2018), 'Tracking Timber, Fighting Illegal Logging' WRI Indonesia, 20 Sept. 2018, <https://wri-indonesia.org/en/blog/tracking-timber-fighting-illegal-logging> (accessed 28 Nov. 2019).

⁸³ Joint Working Group (2016), Public Summary: Joint Working Group Closure Report on Advancement of VPA Implementation, http://eeas.europa.eu/archives/delegations/indonesia/documents/eu_indonesia/euidn_vpa_201601psjwg_en.pdf

⁸⁴ Meridian, A. H., Valentinus, A., Ferdyan, D. H., Minangsari, M., Kosar, M., Sari, A. S and Hasyim, Z. (2018), SVLK. A Process Toward Accountable Governance, <http://pik.or.id/info/wp-content/uploads/2018/Laporan/SVLK-A%20Process%20toward%20Accountable%20Governance.pdf>

⁸⁵ Sucofindo (undated), First Annual Overview of the TLAS Operability in Indonesia, <http://silk.dephut.go.id/app/Upload/hukum/20180406/86399d9d6774bed9373b8a144fa8359.pdf>

⁸⁶ Asosiasi Pengusaha Hutan Indonesia (2012), Peraturan Direktur Jenderal Bina Usaha Kehutanan Nomor: P.8/VI-BPPHH/2012, <http://arsip.rimbawan.com/peraturan-direjen-kehutanan/17-2012/25-peraturan-direktur-jenderal-bina-usaha-kehutanan-nomor-p8vi-bpphh2012>

⁸⁷ Sistem Informasi Legalitas Kayu (SILK) (undated), website homepage, <http://silk.dephut.go.id>

⁸⁸ EU FLEGT Facility (2019), 'FLEGT' licensing: lessons from Indonesia's experience', <http://www.euflegt.efi.int/publications/flegt-licensing-lessons-from-indonesia-s-experience>

Law enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
24. Do policies, laws, regulations and procedures facilitate and promote effective law enforcement?				
<i>a. Are penalties and sanctions against illegal logging and forest-related crime proportionate and dissuasive?</i>				
<i>i. For legislation on domestic production and trade</i>		2008: 4 2013: 4 2018: 4	2008: 2 2013: 3 2018: 3	<p>Law No 18/2013 on the prevention and eradication of forest destruction sets out the penalties and sanctions for illegal activities including the illegal harvest, transport and sale of timber (Chapter X).⁸⁹ Illegal harvesting by individuals carries a minimum sentence of one year imprisonment and a fine of IDR500 million (~USD37,000) with maximum penalties set at five years imprisonment and a fine of IDR2.5 billion (~ USD185,000). These penalties are reduced significantly if the guilty party is a local community member – to minimum penalties of three months imprisonment and IDR 500,000 fines (~USD37) and maximum penalties of two years imprisonment and a fine of IDR500 million (~USD37,000). Penalties for corporations are higher with minimum penalties of five years imprisonment and IDR500 million (~USD37,000) fines and maximum penalties of 15 years imprisonment and a fine of IDR15 billion (1.1 USD million). Similar penalties apply to those found guilty of transporting and/or knowingly purchasing illegal timber.</p> <p>However, court sentencing is not consistent and maximum penalties are rarely applied therefore prompting calls for the application of stricter sanctions.⁹¹</p>
<i>ii. For legislation to prevent the import of illegal timber if in place</i>		2008: - 2013: - 2018: 3	2008: - 2013: - 2018: 3	<p>Under the Minister of Trade Regulation No. 97/M-DAG/PER/11/2015, importers of forestry products are required to meet certain import requirements (see Q. 9b). These include a requirement to undertake due diligence to prevent the import of timber. Failure to meet with these requirements can result in suspension of the operator's legality certificate which means they are unable to trade in timber until they are re-certified.</p>
<i>b. Are there systems in place to ensure coordination between relevant ministries and agencies on illegal logging cases?</i>	2008: 1 2013: 2 2018: 2	2008: n/a 2013: 3 2018: 4	2008: n/a 2013: 3 2018: 3	<p>The Ministry of Environment and Ministry of Forestry were merged into the Ministry of Environment and Forestry (MoEF) in 2014. Established in 2015, the MoEF Directorate-General (DG) of Social Forestry and Environmental Partnerships acts as the main governmental and coordinating body on forest issues. Its coordination mechanisms are outlined in Law n. 18/2013 on Prevention and Suppression of Forest Destruction.</p> <p>The MoEF DG on Law Enforcement for Environment and Forestry (GAKKUM), also established in 2015, coordinates efforts to tackle environmental and forest crimes, working with the police, attorney general's office, the judiciary and customs. (See also Q 1b and 1c.)</p>

⁸⁹ EU FLEGT Facility (2019), 'FLEGT licensing: lessons from Indonesia's experience', <http://www.euflegt.efi.int/publications/flegt-licensing-lessons-from-indonesia-s-experience>

⁹⁰ Law No. 18/2013 on the prevention and eradication of Forest Destruction, <https://www.informea.org/en/legislation/law-no-182013-prevention-and-eradication-forest-destruction>

⁹¹ Chitra, J. and Cetera, K. (2018), 'Indonesia Has a Carrot to End Illegal Logging; Now It Needs a Stick', WRI, 3 Jan. 2018, <https://www.wri.org/blog/2018/01/indonesia-has-carrot-end-illegal-logging-now-it-needs-stick>

Law enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
25. Do government institutions and agencies have sufficient capacity and resources to monitor forest areas and detect and suppress forest crime?				
<i>a. Are forest officials/law enforcement staff sufficiently resourced for monitoring and enforcement? (Relevant resources include budgets, numbers of staff, communications, transport, equipment, salaries as well as training in understanding of regulatory framework and knowledge of techniques for monitoring and enforcement.)</i>		2008: 2 2013: 2 2018: 3	2008: 1 2013: 1 2018: 2	<p>Law enforcement remains insufficiently resourced. This is particularly challenging as a result of the decentralization of forest governance which entailed allocation of more enforcement responsibilities to provincial and district level agencies without the necessary resources to support this.⁹² However, as noted in Q.21c, in 2014, some powers were moved from the district to provincial level which has enabled the more effective use of resources.</p> <p>Investment in enforcement has increased in some areas with the establishment of GAKKUM in 2015 for example. However, the budget allocated to GAKKUM is limited – from 2015 to 2017, the annual budget was about USD 13.7 million, equivalent to about 13 cents per hectare of forest. Furthermore, the number of forestry personnel fall short of what is needed in many parts of the country: in the Java-Bali-Nusa Tenggara region there is one policeman per 60 thousand hectares, and in Papua, just one policeman per half million hectares of forest.⁹³ Moreover, KPK's budget has been reduced (see Q.21e).</p>
<i>b. Are the following non-forest sector officials who are involved in forest enforcement, trained and kept up to date in relevant forest sector issues?</i>				
<i>i. Judges and prosecutors</i>			2008: 2 2013: 2 2018: 2	<p>Some training on environmental issues is provided for judges, and there is a certification scheme for this. However, in 2016, it was reported that just 5 per cent of the country's judges had been certified. Efforts to increase training of judges on environmental and forest law have mostly been funded by international donors. For example, the Environmental Law Institute together with the Indonesian Center for Environmental Law have provided training for the judiciary⁹⁴ as have the UNDP under their SUSTAIN programme.⁹⁵</p>
<i>ii. Customs officials</i>			2008: 2 2013: 2 2018: 2	<p>Some training of customs officials is provided on forestry issues and this has included training on the SVLK system and FLEGT licenses. Annual reports on the implementation of FLEGT indicate that, since 2015, the European Commission and EU member states have invested in training and awareness-raising activities for customs officials although exact figures have not been reported.⁹⁶</p>

⁹² Toumbourou, T (undated), Improving Indonesia's Forest and Land Governance using a Delphi Approach to Identify Efficacious Interventions, The Asia Foundation, <https://asiafoundation.org/resources/pdfs/ImprovingLandGovernanceIndonesia.pdf>

⁹³ Tacconi, L., Rodrigues, R. J. and Maryudi, A. (2019), 'Law enforcement and deforestation: Lessons for Indonesia from Brazil', Forest Policy and Economics vol 103, <https://www.sciencedirect.com/science/article/pii/S1389934118304623>

⁹⁴ Libre, C. and Rabasa, A. (2018), 'ELI Supports Judiciary of Indonesia in Sound Adjudication of Environmental Cases', Environmental Law Institute, 9 May 2018, <https://www.eli.org/vibrant-environment-blog/eli-supports-judiciary-indonesia-sound-adjudication-environmental-cases>

⁹⁵ UNDP Indonesia (undated), Support for Reform of the Justice Sector in Indonesia (SUSTAIN), https://www.id.undp.org/content/indonesia/en/home/operations/projects/democratic_governance/saji-project1.html

⁹⁶ Indonesia & the EU (undated), Annual Report May 2015 – Dec 2016. Implementation of the Indonesia-EU Voluntary Partnership Agreement http://www.euflegt.efi.int/documents/10180/432038/Indonesia_annual_report_2015-16_web_low.pdf/16c4e537-c399-0cde-cbdf-1f5996833a9f

Law enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
26. Do government agencies systematically use appropriate information gathering tools in order to identify illegal activities?				
<i>a. Are remote sensing systems used for this purpose such as satellite imagery and/or aerial surveillance?</i>			2008: 1 2013: 1 2018: 3	MoEF's DG for Planning and Environmental Management has used Landsat satellite imagery to classify land cover and identify deforestation since 1990. These data have been published annually since 2012. ⁹⁷ Such data are also increasingly being used for enforcement by the DG for Law Enforcement GAKKUM.
<i>b. Are in-the-field investigatory tools used for this purpose such as confidential diagnostic surveys, informants and NGOs?</i>			2008: 3 2013: 3 2018: 3	Such tools are used by GAKKUM and by the anti-corruption agency KPK. Furthermore, the role of civil society as an independent monitor of the SVLK is formally recognized and their reports have resulted in administrative measures being taken against companies. However, where more systemic issues have been identified by civil society (for example corruption in the issuance of permits) enforcement has not been adequate in part because of the limited sanctions available under the SVLK. ⁹⁸
<i>c. Are material flow analyses used for this purpose such as wood input/output estimates and comparison of import/export data?</i>			2008: 1 2013: 1 2018: 3	The Sustainable Production Forest Management Information System (SIPHPL) enables the MoEF to collect and process data related to timber production and trade thereby facilitating the detection of 'errors and/or irregularities in processes related to timber governance'. ⁹⁹ Furthermore, the LVLKs compare import/export data and forest product inventories when issuing SVLK certificates. While this does not lead to enforcement action, it does reduce the risk of illegal activities. ¹⁰⁰
<i>d. Are log tracking and check point systems used for this purpose?</i>			2008: 2 2013: 4 2018: 4	Indonesia uses checkpoints to monitor the sector and identify illegal timber. Under the SVLK system, forest operators and traders are audited to ensure that they have the systems in place to ensure tracking of their supply chains. So the SVLK system itself is not designed to enable systematic log tracking. However, the SIPHPL system, which includes data from the SVLK and other systems, does allow log tracking as it contains information on the number of logs, tags and the total volume of logs extracted and declared in a Log Production Report. ¹⁰¹ The MoEF can use this data to monitor the sector and detect potential illegal activities although the extent to which it does so is unclear.

⁹⁷ Nurbaya, S. (ed.) (2018), The State of Indonesia's Forests 2018, http://perpustakaan.bappenas.go.id/lontar/file?file=digital/191959-%5B_Konten_%5D-Konten%20E2337.pdf

⁹⁸ Meridian, A. H., Valentinus, A., Ferdyan, D. H., Minangsari, M., Kosar, M., Sari, A. S and Hasyim, Z. (2018), SVLK: A Process toward Accountable Governance, <http://jpiik.or.id/info/wp-content/uploads/2018/Laporan/SVLK-A-%20Process%20toward%20Accountable%20Governance.pdf>

⁹⁹ Nurbaya, S. (ed.) (2018), The State of Indonesia's Forests 2018, http://perpustakaan.bappenas.go.id/lontar/file?file=digital/191959-%5B_Konten_%5D-Konten%20E2337.pdf (Box 6.3, p.134)

¹⁰⁰ Asosiasi Pengusaha Hutan Indonesia (2012), Peraturan Direktur Jenderal Bina Usaha Kehutanan Nomor: P.8/VI-BPPHH/2012, <http://arsip.rimbawan.com/peraturan-direktur-jenderal-bina-usaha-kehutanan-nomor-p8vi-bpphh2012>

¹⁰¹ Meridian, A. H., Valentinus, A., Ferdyan, D. H., Minangsari, M., Kosar, M., Sari, A. S and Hasyim, Z. (2018), SVLK: A Process toward Accountable Governance, <http://jpiik.or.id/info/wp-content/uploads/2018/Laporan/SVLK-A-%20Process%20toward%20Accountable%20Governance.pdf>