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Forest Certification for Community-based Forest Management as an Option for Rediscovering Community Forest in Indonesia

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Abstract

Forest certification is an innovative voluntary instrument for forest management to tackle illegal logging and also promote verified and sustainable wood production. One of the most prevailing forest certification in the world is FSC (Forest Stewardship Council) established in 1993. Most certified forests including FSC are located in the North, and only small proportion of tropical or sub-tropical forests are certified. The purpose of the study is to understand how forest certification was adapted to the existing forest management systems in Indonesia, and more specifically to identify the potential and challenges for the certification of community-forest management.

Indonesia is a country which has been strongly promoting a national certification scheme known as Lembaga Ekolabel Indonesia (LEI, Indonesian Ecolabelling Institute). While Indonesia has mega-diversity and rich forests, it has been suffering from forest decrease by serious illegal logging activities. The two forest certification schemes are expected to reduce such activities.

Forest certification has also roles to create opportunities for local communities to well manage community forests and further develop their livelihoods. Indonesia has a long history of community-based forest management such as community forests in private forests and an inter-copping system between planted teak forests in state owned forests. The introduction of forest certification in such forests may provide additional values for existing community forests and future develop them.

LEI PHBML (Pengelolaan Hutan Bersama Masyarakat Lestari, Sustainable Community-based Forest Management) and FSC group certification are focusing on community forests. LEI PHBML has it specific standards. FSC group certification is a system to be certified for one organization or person on behalf of a group of forest owners or managers. In Indonesia, private forests managed by local people are certified with this two certification schemes. In this study, a case of both LEI PHBML and FSC group certification were selected, and challenges and
opportunities of the cases were discussed. Currently, 11 cases of LEI PHMBL were identified and one case of certified private forests in Central Java was selected as a case study. While the introduction of PHBML certification in two villages in the area promoted to strengthen local organizations and to participate local people for intensive forest management, the villages did not have enough experiences to sell certified wood in the international markets. The certification model used in the villages was revealed to have shortcomings: for example, there was an imbalance between the supply of certified wood and companies’ demand, a lack of public awareness regarding the value of certification and undeveloped market mechanisms to sell certified wood. On the other hand, FSC group certification has only two cases in Indonesia. In this paper, a case of Southeast Sulawesi was selected. After a farmer group consisted of several villages was certified in 2005, local organizations were strengthened and the number of participants and the volume of produced certified wood have been increasing. The reason that group certification was successful was the support of a local NGO and an international NGO, both of which played significant roles in establishing strong relationships between producers and consumers, organizing local forest management institutions, and promising social and economic benefits to the local populations. Based on the two cases, some challenges for further promoting in other areas were also identified; necessities to allocate sufficient funding for acquiring and maintaining certification and to explore synergies of LEI and FSC. However, as a whole, it was revealed that the introduction of forest certification for community forests may become motives for developing an innovative participatory forest management model in Indonesia.

**Key Words:** Forest certification, Community forest, LEI, FSC, PHBML, group certification, Central Java, Southeast Sulawesi, Indonesia

**Introduction**

Forest destruction is one of the serious social and environmental problems because this can cause loss of ecosystems including biodiversity as well as global warming in the world. Forest certification has been expected to be one of the approaches to avoid forest destruction from illegal logging and promote verified and sustainable legal wood production with sustainable integrity of forest ecosystems.

Forest certification is an innovative voluntary instrument for forest management that emerged in the 1990s with strong backing from northern NGOs concerned about the serious loss and degradation of tropical forests. They viewed the destruction of tropical forests as a failure of government actions to combat illegal and destructive logging. Certification is designed to enable consumers to identify wood products that were sourced from forests under sustainable management. Certification systems include 1) a standard for forest management, 2) a standard for chain of custody to allow the wood materials in the final product to be traced to their source, 3) the accreditation of independent expert organizations, 4) the evaluation of forest management and chain of custody by the accredited bodies using the standards, and 5) rules for product labeling. There are high expectations that forest certification will promote and reward responsible forest operations by 1) employing broad management standards that include ecological, social and economic criteria 2) requiring neutral expert assessment, and 3) enabling buyers to identify products whose wood materials originate from well managed forests. Forest
certification can also provide economic, social and environmental benefits (Nussbaum and Simula, 2005).

There are two global schemes in the world: FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification schemes). FSC is the first global certification scheme established in 1993. PEFC is a global umbrella organization for the assessment of and mutual recognition of national forest certification schemes developed in a multi-stakeholder process and consisted from 35 independent national forest certification systems. By mid-2006, most certified forests such as FSC and PEFC were northern hemisphere temperate and boreal forests - North America (58%), Western Europe (29%) (Tacconi, 2007). For instance, FSC has more than 100 million hectares of forests covering seventy-nine countries had been certified against the FSC standard by April 2008 (FSC, 2008) While around half of the total FSC certified forests are boreal forests, only 12% (13 million hectares) are tropical or sub-tropical forests (ibid). Asia has 1.96% of FSC certified forests, with Indonesia having the largest area of FSC certified forests in Southeast Asia (FSC, 2007). Thus, to combat illegal and destructive logging through the efforts of forest certification, as originally intended, much more attention should be turn to increasing its application to tropical forest management.

Indonesia is one of the countries which have mega-diversity and rich forest ecosystems. Most forests are classified as state forests or *hutan negara* and these account for most forest areas (133.6 million ha) (Departmen Kehutanan, 2006). State forests include 59.1 million ha of production forests (*hutan produksi*), 22.8 million ha of reversible forests (*hutan konversi*), 31.6 million ha of protection forests (*hutan lindung*), and 19.9 million ha of conservation forests (*hutan konservasi*) (ibid). Another forest category is privately owned forest (*hutan milik*). However, this classification of the forests does not reflect ecological reality as 33 million ha of state forests were not included in the categories of the forest zone and 8 million ha of forests were excluded from state forests (Contreras-Hermosilla and C. Fay, 2004).

Indonesia is a key country for developed counties such as Japan and Europe to import timbers. However, forests have been disappearing at an accelerated rate because of deforestation and forest degradation. Though rich forests covered most land in Indonesia until the 1950s, forests have been disappearing drastically since 1990s. The rate of deforestation is estimated at 1.6 to 2.5 million ha/year: 54.6 million ha of state forests and 41.7 million ha of non-state forests have been destroyed (Baplan in Nawir, 2007). Additionally, deforestation has been accelerating drastically since the end of 1990s (FWI et al., 2002). World Bank (2006) reported that 30% of lands in the forest zone did not have forests, 30% of production forests and half of conversion forests had been destroyed, 28 million ha of forests in both categories were not forested, and 20% of protection and conservation forests had been destroyed.

Several studies identified illegal logging, the establishment of palm oil plantations, conversion of forests to agricultural lands by small holders, mining and oil extraction as the direct causes of deforestation (World Bank, 2006; Nawir, 2007; FWI et al., 2002). Nawir (2007) identified the underlying causes of deforestation as market failure, policy failure or changes, and weak governance. One of the most significant causes of deforestation in Indonesia is illegal logging, with several studies reporting cases of illegal activities in national parks (EIA and Telapak, 1999, 2000; Nellemann et al., 2007). Overexploiting trees beyond the annual allowable cut (AAC) is a serious problem in industrial-scale concessions (Casson and Obidzinski, 2007).

Under the conditions mentioned above, forest certification was introduced in the 1990s in Indonesia. The backgrounds of the introduction of certification in Indonesia are as follows. First, Indonesian government considered deforestation and forest degradation as a serious major
problem. Second, European countries stressed political pressures to the government policies which failed to combat illegal logging in Indonesia. Third, the pressure prompted the government to consider certification as one possible solution. Forth, European countries also became strong supporters of certification (Elliott, 2000).

Indonesia has two certification schemes including FSC and a national certification scheme, LEI (Lembaga Ekolabel Indonesia, Indonesian Ecolabelling Council). FSC was introduced mainly by the pressure from European countries mentioned above. LEI independently developed under the support from several stakeholders such as the government, NGOs and academicians.

More recently, forest certification is being used not only as a toll to combat illegal logging and forest clearance, but also to create opportunities for communities in forest management. Forest certification may contribute for creating economic and social opportunities (Humphries and Kainer, 2006; Markopoulos, 2003; McDaniel, 2003; Molnar, 2003; Vallejo, 2003). Additionally, as the locations for both inhabited areas and state owned lands are overlapped, social conflicts for land tenure and use of forest resources have been breaking out quite often between local communities and companies or the government. It is a big challenge how to avoid the social conflicts and grant forest certification for ecologically rich forests while ensuring social justice for local/indigenous people.

Because of their insecure forest rights and their poverty, ways must be found to improve the recognition of the claims of forest-dependent people and to build their capacity to take advantage of any opportunities that the forest regulatory framework provides. Forest certification of community-based forest management could have the potential to support and reward sustainable community-based forest management, but its strengths and drawbacks within the Indonesian context need to be explored closely.

The purpose of the study is to understand how forest certification was adapted to the existing forest management systems in Indonesia, and more specifically to identify the potential and challenges for the certification of community-based forest management.

Methods

The study was conducted by information gathering, field observations and interviews in December 2005, October 2006, July and December 2008, and March 2010. Information was gathered from relevant organizations, such as LEI, FSC, other local NGOs and the Bureau of Statistics. Interviews were conducted with staff members of LEI, FSC and other relevant NGOs, along with key informants in the selected villages.

Results

Creating spaces for communities to formulate forest certification

In this section we discuss about the potential of involvement of local communities through certification. Here two points are strengthened; 1) regulatory framework associated with communities, and 2) national initiatives for developing a national standard for certification.

1. Where are communities in forests?
In this section we consider the space for communities to participate in forest management that exists within the regulatory framework as well as the potential for certifying the various types of community-related forestry recognized by the state. Because of conflict over forest resources in Indonesia, it is imperative that forest certification take into account who should own forests, who should be given rights to use forests, what kinds of regulations should be followed to use forests. Forestry Act in 1999 (Departmen Kehutanan, 1999) defined two types of forests in Indonesia; state forests (hutan negara) and forest under right (hutan hak) that are managed by communities or individuals according to regulations. The types of forest management involving communities set out in the forest policy are private forests (HR: Hutan Rakyat), community forest (HKm: Hutan Kemasyarakatan) and customary forest (hutan adat). While HR is forest under rights occupied by individual owners, HKm and customary forest are state forests owned by the national government.

Minister’s decision in 1997 (Departmen Kehutanan, 1997) defines HR as forest that belongs to the community with a minimum area of 0.25ha and a crown cover of more than 50% and/or in the first year of plantation with 500 plants/ha. Forest Act in 1999 emphasized that HR is a part of private forests and should be differentiated from state forests (Department Kehutanan, 1999). The regulation also mentioned that HR should be considered as social forestry because the implication of HR is that people can have the responsibility to manage the forest and can receive benefits from the forest.

No formal description of specific features or definition of HR can be found except within this regulation. However, several Indonesian researchers have offered definitions based on their studies (Simon, 1995; Jaffār 1993 in Awang, 2001). Simon (1995) defined HR as a forest planted by local people for wood and other forest products which can increase their prosperity. He observed that forest and other products harvested from HR include construction wood, fuel wood, charcoal, leaf, fodder and agricultural crops grown under the stand. Jaffār (1993) in Awang (2001) noted that the target of HR development is private lands with the following criteria:

- Critical areas with slopes more than 30%  
- Critical areas with no potential for agriculture  
- Critical areas available for the purpose of watershed protection with a green belt  
- Private lands profitable as forests rather than as agriculture

Jaffār (1993) in Awang (2001) observed that the objectives of HR are;

- Increase productivity in critical lands in an optimal and sustainable manner  
- Diversify agricultural crops needed by local people  
- Supply construction wood, industrial materials and fuel wood  
- Increase revenue and prosperity of local people  
- Recover environment and water conditions especially in private lands aiming for protection

Thus, HR has been developed to achieve both the improvement of local livelihoods and environmental conservation.

On the other hand, community forest, or HKm, was first introduced by Minister’s decision issued in 1998 (Departmen Kehutanan dan Perkebunan, 1998). Another Minister’s decisions were designated in 2007 and 2011 (Departmen Kehutanan, 2007, 2011). HKm is the first forest management policy that approved the management of state forests by small communities, instead of companies or individual families. According to these decisions and regulation, HKm refers to state forests so that the residents can utilize and manage forests, while conserving forest ecosystems in a sustainable manner.
Purposes of HKm are defined as follows:
- Increase welfare, quality of life, economic and social capabilities and capacities of local people
- Increase bond of local communities for management of HKm
- Develop diversity of forest products which can promise functional conservation and forest use
- Increase quality, productivity and “safety” of forests
- Create job opportunities in the fields and increase income both for the country and local communities
- Support and fasten to develop areas

To achieve the purposes, HKm allows local communities to insist right to use forests in the areas which are conservation forest, excluding nature reserves and core zones in national parks, protection forest and production forest, and there are regulations for utilization each forest type.

2. Reforestation programs

In the HR/HKm areas, reforestation programs were implemented. The original purpose of government reforestation projects was to green ecologically and socially crucial areas, that are not appropriate for inhabitation of plants and animals or life of the residents due to the sterility of the soil caused by the lack of forests for a long period (Simon, 2006). The programs provided technical and financial support to local institutions. The historical transition of the reforestation programs are as follows:

- The reforestation projects named Program Penhijauan were implemented in HR sites and those named Reboisasi were implemented in HKm areas in state forests in the 1960s. These projects supplied fuel wood, construction materials furniture and handicraft materials from the planted trees to the local economies and contributed to the prevention of soil erosion (Down to Earth, 2002). Farmers practiced cash cropping of vegetables and fruits between the planted trees.
- A lack of funding and insufficient organizational planning and development initially limited the outcomes of HR. As the Indonesian government obtained financial and technical assistance from the Food and Agricultural Organization of the United Nations (FAO) and others the projects began to be implemented smoothly (Simon, 2006). Beginning in the 1980s, the planting of Albizia falcata began to expand dramatically (Awang, 2004). Moreover, this was the time when the organizations for planting management were reinforced, the project funding increased, and residents began to participate in the projects with their own clear requests and demands (Simon, 2006). Teak trees were planted from 2000 onwards (ibid).
- In 2003, the National Movement for Forest and Land Rehabilitation (GNRHL: Gerakan Nasional Rehabilitasi Hutan dan Lahan) or Gerhan was launched as a successor of the previous national reforestation program. Rehabilitation projects were implemented inside and outside of state forests. Their purpose was to accelerate the involvement of local people in forest management and land rehabilitation, while restoring environments affected by natural disasters such as flooding, mudslides and droughts using local participation approaches.

These national reforestation/rehabilitations programs created at least some planted forests that were suited to certification, and in reality, several forest management certificates for community forest (HR) have been granted. The government efforts to implement these programs established good stands of trees, and their sustainability for certification.
On the other hand, while HKm allowed local people to use forests and areas for their livelihoods, the potential of HKm is not so high because of the following reasons. First, forest regulations associated with HKm have been changing quite frequently. The contents associated with the right of communities are slightly different among these laws. Unstability of the concept HKm described in the regulations makes it difficult to grant forest certified. Second, HKm does cover only quite small areas of forests in Indonesia, even if much more areas have been fixed in the map. The gap between the plan and real areas of HKm in the field exists, which are caused by the instability of the laws for HKm.

HR allows local people to manage their own private forests on their own initiative while receiving support under the government’s rehabilitation programs. Certification schemes include criteria related to the rights of communities and forest tenure. The principle of HR of private ownership would make it easier to meet these certification criteria, because the likelihood of conflict between communities and government is much lower. HR covers approximately 1.5 million ha with mahogany, pinus, teak and so forth in Indonesia (Hindra, 2006).

Thus, expanding the areas of certification for HR is the good strategy for communities to have chances to get much more incomes and maintain forests in a sustainable manner, and consequently, might reduce negative impacts such as illegal logging in state forests.

National initiatives for forest certification

LEI and FSC in Indonesia made efforts to develop certification for communities to improve their livelihoods as well as produce legal timbers to combat illegal logging. As described above, community-based forest management especially HR has the big potential to be applied for forest certification for communities, which can produce certified wood to meet demands from importing countries of certified wood. In this section, we will describe the historical process of introducing LEI and FSC forest certification in Indonesia.

This section will describe the historical process of introducing forest certification in Indonesia, which can be best explained by dividing into three periods.

1. First steps

LATIN (Lembaga Alam Tropika Indonesia), or The Indonesian Tropical Institute, was the first organization to introduce forest certification in Indonesia. LATIN was established in October, 1989 to do activities such as implementing projects for local people and children, organizing training courses of GIS, publishing books and reports for the purpose of sustainable forest management. LATIN was granted forest certification under the Rainforest Alliance’s SmartWood program in 1990 for production forests in Java managed by the state forestry enterprise Perum Perhutani (Down to Earth, 2002). However, because FSC later concluded that the SmartWood Programme did not meet the requirements of its certification principles, SmartWood decided to suspend its certificate for the production forests, and instead to direct its certification at the forest management unit level (KPH: Kesatuan Pemanfaatan Hutan). Other production forests owned by Perum Perhutani were then later certified by FSC in the early-mid 1990s, but these certificates were also finally later suspended. The reasons for this suspension were summarized as follows (WALHI et al., 2003). First, while Perum Perhutani has acquired legally documented use right for long periods, communities are not given such rights for the forests. Second, although the claims by communities that some forests should be recognized as customarily communities-owned forests with customary rights arose conflicts with Perum Perhutani, no appropriate mechanisms for conflict resolutions over tenure and
use rights were not prepared. These facts are against significant points described in the principles of FSC; ‘Tenure and use rights and responsibilities (Principle 2)” and ‘Indigenous People’s Right (Principle 3)’.

In the late 1990s and early 2000s, two external factors further encouraged the development of forest certification in Indonesia (Elliott, 2000). First the International Tropical Timber Organization (ITTO) set a target of 2000 as a year for wood production in a sustainable manner and prepared a “Guidelines for the Sustainable Management of Natural Tropical Forests”, which included forest management criteria and indicators acted as triggers that facilitated the recognition of certification in Indonesia. Second, countries that imported timber from Indonesia including Germany, the Netherlands, the UK and the USA put a great deal of pressure on the Indonesian government to reform forest management through bans on the use of tropical timber by various municipalities for the construction of public facilities, the Austrian government made it obligatory for exporters to provide proof of the legal compliance of tropical timber.

Domestic expectations of forest certification grew as a measure to recover degraded lands that were a result of government failure to manage forests and control illegal logging. Although some NGOs argued that Indonesia required more fundamental reforms of forest law and tenure before certification could be introduced, the general view of NGOs was supportive. They argued that certification 1) raises the awareness of forest managers to harvest trees in an environmentally and socially responsible manner, and 2) increases transparency and promotes participation through public consultation and monitoring (Muhtaman, 2006).

2. Rising of a national certification

Even though FSC had been promoted in Indonesia with production forests having been certified in Java, the government felt that a national certification standard was required. Adiwoso (1996) and Suntana (1996 in Elliot, 2000) explained the government’s interest in a national standard as follows. First, the government took the position that if Indonesia was to remain a major forest products exporter, it needed to be able to anticipate changes in international trade, rather than just adapting to them. Second, it was believed that this would be facilitated by Indonesian government by having its own original certification standard in addition to FSC.

Elliott (2000) and Muhtaman (2006) described two subsequent initiatives of the government. First, the Ministry of Forestry issued Ministerial Decree, “Criteria and Indicators for the Sustainable Management of the Natural Production Forest” in 1993. This decree served as a stimulus for further considering the formulation of a nationally independent and reliable certification-system for natural forest management. Second, the Ministry of Forestry hosted an informal seminar on forest certification in 1993. In the seminar, it was insisted that it should take initiatives for developing the original certification system which can work internationally, and should show the posture to support the concept for the national certification system itself. The Ministry of Forestry also requested to the former minister of the Ministry of Environment to take the lead in establishing an independent national forest certification system, LEI.

NGOs also played significant roles to become widespread forest certification in Indonesia as follows (Elliott, 2000). It was by APHI (Asosiasi Pengusaha Hutan Indonesia, the Indonesian Association of Forest Concession Holders) created by MPI (Masyarakat Perhutanan Indonesia, Indonesian Forestry Community) that the certification system of Indonesian national standards
was firstly discussed. A working group called *Pokja Ekolabel* (*Kelompok Kerja Lembaga Ekolabel Indonesia*), established by APHI in 1994 tried to introduce an original national forest certification for Indonesia. APHI tried to develop the certification criteria based on the criteria for sustainable forest management discussed in the guideline issued by ITTO. However, this was not widely recognized as a common measurement in Indonesia, and instead, LEI grew to be the national standard in Indonesia later.

Returning back to the government initiative, in 1993, the LEI working group was formed under related multi-stakeholders such as NGOs and learned people, with strong support from the Ministry of Forestry (ibid). This group comprised the members of the APHI and the National Standardization Board, NGOs and academicians in universities, and the group had intensive discussion on establishment of independent standards for criteria and indicators for Indonesia by referring those for FSC, ITTO and WWF (World Wide Fund for Nature), certification processes as well as LEI formation. Other government organizations such as the Ministry of Trade and the Ministry of Environment began to recognize the significance of establishing a national certification standard.

Two opportunities for the discussions increased to take into account of the creation of LEI (Muhrtaman, 2006). In 1994, there were in-depth discussions in a conference held with the sponsorship by LEI working group, FSC and CIFOR to consider about the LEI criteria and indicators. The major elements of LEI were determined by 1996 and it was recognized as a national standard. In 1997, workshops were held among the Ministry of Forestry, APHI and LEI to reach agreement on the LEI criteria. Finally, LEI was established in 1998 as an independent body to deal with the national standard.

In contrast to the establishment of LEI, FSC followed generic standard to have global application in Indonesia, even though the FSC encourages the development of regional and national standards based on its generic standard. While FSC has a process to formally endorse national standards with establishment of a national working group endorsed by FSC, this path has not been followed in Indonesia; rather, LEI was established as an independent national certification scheme.

As described above, the LEI system, an original forest certification system in Indonesia was established through a completely different process from FSC. The establishment of FSC was particularly driven by international environmental NGOs who felt that governments could not manage tropical forests sustainably. On the other hand, LEI was the outcome of the strong initiative of Indonesian Ministry of Forestry, which tried to spread the national standard of forest certification in spite of the existence of FSC, by including related authorities such as private sectors, NGOs, academicians and so forth.

**LEI and FSC vision, objectives**

1. **LEI as a leading actor of national certification provider**

   As mentioned above, LEI was officially established in 1998 as an a system developer and an accreditation body for natural resource certification scheme, with the supports of NGOs, academicians, government staffs, and private sectors as well as public consultations. The followings are the brief summary of steps towards formulation of framework of certification for natural forests, paralleling with the establishment of LEI:

   - Ministry of Forestry designated a Ministrual Decree "Criteria and Indicators for the Sustainable Management of the Natural Production Forest" in 1993.
   - LEI as a certification institute introduced criteria and indicators for certification for natural
forests, or PHAPL (Pengelolaan Hutan Alam Produksi Lestari, Sustainable Natural Production Forest Management).

- Field test for the criteria and indicator for PHAPL certification was conducted in three forest concessions in Riau, East Kalimantan and Central Kalimatan, with consultation with APHI and Ministry of Forestry in 1994.
- Decision making systems was arranged to test criteria and indicators for PHAPL in eleven forest concessions in Aceh, North Sumatra, West Sumatra, Riau, East Kalimantan and West Kalimantan in 1996.
- PHAPL certification was finally formulated in April 1997.

This standard was used by LEI as the basis for formulating several other standards, as discussed below.

LEI’s vision is to become an organization striving to conduct a sustainable natural resource management. Additionally, LEI’s missions are as follows (LEI, 2000):

- Develop a credible ecolabel certification scheme and monitoring system of natural resource management.
- Promote and support the policy of sustainable and fair natural resource management
- Promote and support natural resource management models and practices by constituents including indigenous people.

They are also expected to develop and implement certification system and accreditation systems, and also develop capacity building for stakeholders involved in the implementation of forest certification through trainings such as training for field assessors, experts, facilitators, and trainers (ibid).

2. PHBML standards

LEI developed four certification systems, including PHAPL certification mentioned above, three for forest management unit certification and one for chain of custody certification, as follows:

- Sustainable Natural Production Forest Management, or PHAPL (Pengelolaan Hutan Alam Produksi Lestari) certification system, focusing on management units of concession of natural forests (HPH: Hak Pengusahaan Hutan) (started from 1994);
- Chain-of-Custody or CoC certification system, an inter-linking and inter- dependency supervision to examine whether the source of forest product in one previous node is certified (started from 1997);
- Sustainable Planted Forest Management, or PHTL (Pengelolaan Hutan Tanaman Lestari) certification system, focusing on plantation forests such as HTI (Hutan Tanaman Industri, Industrial Forest Plantation) or the state forestry enterprise (started from 1998);
- Sustainable Community-Based Forest Management, or PHBML (Pengelolaan Hutan Bersama Masyarakat Lestari) certification system, focusing on forests managed by communities (started from 2004).

PHBML is one of the LEI certification systems. The PHBML certification system is a forest-management scheme wherein certified wood can be produced by community cooperatives on privately owned land, which we discussed above as HK. This system was designed as one of the above four certification systems to improve the local economy and personal livelihoods.

Before PHBML was formally launched, two field tests were conducted in villages in Central Java and West Kalimantan (Riva, 2004). Pilot projects were also implemented between 2003
and 2004 in collaboration with NGOs. One of the pilot project sites was Wonogiri District. PHBML has 8 criteria and 32 indicators associated with production, ecological and social implications (LEI, 2004). As of February 2011, 11 PHBMLs for community-based forest management has been registered (Table 1). Certification programs for community-based forest management could have the potential to improve sustainable forest management.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Area (ha)</th>
<th>Main species</th>
<th>Certification body</th>
<th>Date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forum Komunitas Petani Sertifikasi Selopuro &amp; Sumberrejo</td>
<td>Central Java Wonogiri</td>
<td>809</td>
<td>Teak Mahogany</td>
<td>Mutu Agung Lestari</td>
<td>October 2004</td>
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<td>Central Java Sukoharjo</td>
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<td>Teak Mahogany</td>
<td>Mutu Agung Lestari</td>
<td>January 2007</td>
</tr>
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<td>UM Hutan Adat Rumah Panjae Menua Sungai Utik</td>
<td>West Kalimantan Kapuas Hulu</td>
<td>9,545</td>
<td>Dipterocarp (natural forests)</td>
<td>Mutu Agung Lestari</td>
<td>March 2008</td>
</tr>
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<td>East Java Magetan</td>
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<td>Teak Mahogany</td>
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<td>Teak Mahogany</td>
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<td>955</td>
<td>Falcataria</td>
<td>Mutu Agung Lestari</td>
<td>June 2010</td>
</tr>
</tbody>
</table>

Note) UM: Unit Managemen, UMHR: Unit Managemen Hutan Rakyat

3. **FSC missions and principles related to communities**

FSC was established in 1993 for the purpose of promoting responsible management of the world's forests. Vision of FSC is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations. (FSC, 2011a). FSC's missions are as follows (ibid):

- FSC shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.
- Environmentally appropriate forest management ensures that the harvest of timber and non-timber products maintains the forest’s biodiversity, productivity, and ecological processes.
- Socially beneficial forest management helps both local people and society at large to enjoy long-term benefits and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.
- Economically viable forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resource, the ecosystem, or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible forest operations can be reduced through efforts to market the full range of forest products and services for their best value.

FSC has its Principles and Criteria (P&C), which are the basis for all FSC forest management standards. The FSC 10 principles show how forests have to be managed to meet the social, economic, ecological, cultural and spiritual needs of all generations. FSC is quite close to communities in terms of local people’s land tenure rights, enhancement of well-being of local people, benefit sharing as shown in some principles below:
- Demonstrated and unchallenged, clearly defined, long-term land and use rights (Principle 2)
- Recognition and respect of indigenous peoples’ rights (Principle 3)
- Maintenance or enhancement of long-term social and economic well-being of forest workers and local communities and respect of worker’s rights (Principle 4)
- Equitable use and sharing of benefits derived from the forest (Principle 5)

FSC has two types of certificates:
- Forest management (FM) certification: Forest managers or owners who want to prove that their forest operation are socially beneficial and managed in an environmentally appropriate and economically viable. Targeted forests are natural forests, man-made forests and community forests owned by local people.
- Chain of custody (CoC) certification: this is for companies that manufacture, process or trade in timber or non-timber forest products and want to demonstrate to their customers that they use responsibly produced raw materials.

The number of counties in which FM certification was given to communities counts 31. Almost all cases are for small-scale forest areas. By January, 2008, certification given to communities count more than 10% of the total area of FM certification (Hinrichs et al., 2008).

4. FSC group certification and Small and Low Intensity Managed Forests (SLIMFs)

Group certification is a way for more than one forest operation to be certified under a single FSC certificate, which is held by one organization or person on behalf of a group of forest owners or managers (FSC, 2011b). Group certification can reduce the costs of certification compared to ordinary certification in which each owner’s forest have to be certified. On the other hand, there is a new standard for operating small-scale forest management, Small and Low Intensity Managed Forests (SLIMFs). The SLIMFs is only adopted for small-scale plantation forests or natural forests with less than 1,000 ha area and harvesting rate is less than 20% of the mean annual growth in timber, and annual harvest is less than 5,000m³. Criteria of SLIMFs are developed separately from those of normal certification. A group which qualifies as ‘small’ and ‘low intensity managed’ forests is allowed to use the criteria to reduce costs for operations.
A case study of LEI PHBML certification

1. Site description

Wonogiri District, where the two selected villages are located, covers 182,236 ha of land consisting of mountains (65%), wavy topography (30%) and flatland (5%). It has 24 sub-districts and 298 villages with 239,297 households and 1,106,418 residents, averaging 5 people per household. Community forests are the source of 40% of the population’s income. Community forests are private forests, and the forests are fully managed by their owners. A portion of the total land (30,701ha, 16.85%) is used for irrigation fields, 15,320ha (8.4%) for community forests, 16,268ha (8.9%) for state forests and 61,011ha (33.48%) for bare land (BPS, 2003).

The two villages selected for the survey are Sumberejo and Selopuro village.

Profiles of Sumberejo village are as follows (PERSEPSI, 2003). The distance of this village is approximately 3km from sub regency capital and 52km from Wonogiri. Total area of the village is 547 hectares. Sumberejo village was a critical area with thin top soil and so many stones surrounding the village. The community forest covers 78 ha in sub villages such as Kalinekuk, Gembuk, Rembun, Rowo, and Puthuk, managed by farmer groups (kelompok tani) in Gondangrejo. The population of the village is around 1,000 people. Main occupation in the village is farmers. Other occupations are entrepreneur, industry laborer, construction laborer, trader, teacher, civil servant.

Reforestation efforts as a national plan of the government started from planting wood trees by people in 1964. The activities for reforestation were planting teak and mahogany at the boundary between home gardens and dry lands. All people did not necessarily agree with the reforestation programs because they concerned about loss of opportunities to plant agricultural crops with planted trees. Different opinions of the program among villagers interrupted success of the program and contributed to land degradation.

Later, recognizing significance of reforestation in their village, people organized community forest farmer groups, with a total of 46 members in order to manage forests effectively. The groups had three important activities: 1) institutional empowerment, 2) village nursery, and 3) development terrace for land preparation to plant trees. The objective of each activity mentioned above was: 1) to solve food supply problem, 2) to repair lands and prevent soil erosion, and 3) to increase prosperities of the people. The local people could get benefits such as reforesting lands, and obtaining land and trees. Conditions of forests with high density trees have been getting better. A survey by PERSEPSI found that each family had approximately 100 to 5,000 trees, mainly teak and mahogany trees. Table 2 shows that much more teak trees were planted than mahogany.

<table>
<thead>
<tr>
<th>Village Name</th>
<th>Total areas (ha)</th>
<th>Areas with trees in community forests (ha)</th>
<th>Number of trees in community forests (pieces)</th>
<th>Volume of timber in community forests (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Teak</td>
<td>Mahogany</td>
<td>Total</td>
</tr>
<tr>
<td>Sumberejo</td>
<td>547</td>
<td>290,079</td>
<td>60,588</td>
<td>350,667</td>
</tr>
<tr>
<td>Selopuro</td>
<td>655</td>
<td>110,630</td>
<td>101,052</td>
<td>211,682</td>
</tr>
</tbody>
</table>

Source) PERSEPSI (2003)
Profiles of the Selopuro village are as follows (PERSEPSI, 2003). The village is about 50km from the south east of Wonogiri city. The area of the village is 655 ha. Soil conditions of the village are also poor with stones as Sumberejo village. The population of the village is around 1,800 people. The main occupation of the people is farmers. Some of the people also work as construction labor, industry labor and labor in the paddy field.

The village also got supports from the government. In 1970s the people established a farmer group called Percabaan, in order to increase their economic and social prosperities by forest management with support of the local government. The group was composed of people who owned land and lived in Selopuro, Tulakan, Sidowayah, Jarak and Pagersengon sub-villages. The government encouraged members of the group to participate in training. The government also sent field workers to help the groups to well-organize the group and to give technical supports. The farmers were also expected to hold meetings to evaluate and to plan their activities. Although the farmer groups were only interested in agricultural activities, community forests became one of the significant activities as conditions of community forest were developed gradually. Table 2 shows that the number of teak and mahogany is almost same.

Basic conditions for the villages before the introduction of the certification can be described as follows (PERSEPSI, 2003; PERSEPSI and WWF, 2004):

- Top soil of forests is much thicker than before because micro organism grew well.
- Feces of cattle are available as bio-fertilizer for agricultural crops and trees.
- Quantity of water from water resources increased. Consequently, local people could get much more beneficial use of water, including water for daily consumption for the people and drinking water for domestic animals.
- Forests could create fresh air for the people.
- Planting trees such as teak, mahogany and acacia could contribute for conservation and consequently, decrease soil erosions.
- Fauna such as monkeys, snakes, birds and so forth and flora such as medicinal plants could survive and increased.

These positive ecosystems of community forests functioned as supportive factors to get forest certification.

2. Actors involved in PHBML certification

Related actors, which organized multi-stakeholder process for getting forest certification, were supportive to push the villages to get certification. The following actors played significant roles for the process:

- PERSEPSI: facilitate or organize communities to grant certificate in Selopuro village and Sumberejo village. PERSEPSI is a local NGO established in 1993 as transformation of another local NGO called LP3ES. The mission of PERSEPSI are: 1) to realize the society life in gender equality, 2) to increase society’s access and control to the economical, political, and cultural resources, 3) to increase the civil society’s consciousness and role of civil society through critical education and advocacy, and 4) to increase society’s consciousness about the importance of environment. The main programs of PERSEPSI include: 1) community organization for farmers and micro business women, 2) development and servicing the micro business for women, 3) development of community forestry management and sustainable agriculture, 4) public policy advocacy, and 5) consultation and training services.
- LEI: prepare certification systems and help to get community-based forest management
certification through both internal trainings for staffs of PERSEPSI and external trainings for expert panels and field assessors.

- GTZ: fund for pre-conditional activities for the implementation of pilot projects, aiming to promote community-based forest management certification and to prepare management units in two villages from October 2003 to June 2004.
- WWF-Indonesia: funding supports for the submission of complete documents for forest certification formulated by both the communities and PERSEPSI, and supporting the communities to establish trading relationships for certified wood products.

Among these actors involved, PERSEPSI's role was especially critical in encouraging strongly and closely the villagers to get certification. Conditions of the planted forests in the villages were firstly introduced to LEI by PERSEPSI. Because PERSEPSI had many experiences in the fields of community forests, formulating social organizations, environmental awareness in villages in Java, including the two villages, it could easily evaluate conditions of the two villages and have close relationships with them.

3. Strengthening local organizations for managing certified wood

Although farmer groups called Komunitas Petani Sertifikasi (KPS) or farmer groups for forest certification existed in both villages, PERSEPSI and villagers decided that KPS need to be strengthened to meet requirements of the PHBML system. Therefore, they supported to establish additional institutional units especially for the management of certified forests. The followings are the existing institutions:

- KPS: KPS is farmer groups for certified forests, aiming to manage community forests at the sub-village level. KPS is the center of activities to manage community forests.
- FKPS (Forum Komunitas Petani Sertifikasi), Forum of farmer community for certification: FKPS is farmer group forums for forest certification, aiming to manage community forests at the village level. The role of FKPS is to coordinate all KPS.

Sumberejo and Selopuro villages had their own FKPS: FKPS Sumberejo and FKPS Selopuro. Each FKPS consisted of 8 KPS, and the FKPSs had 958 and 682 members, respectively.

4. Producing certified wood to meet demands

According to the initial idea behind certification of forests in the two communities, PHBML certificate may bring the two villages much more profits as premium price. Additionally, exclusion of middlemen who will buy timbers from villagers and sell them to markets may also contributed to increase income from certified wood.

However, communities had only supplied certified wood for one order — to PT. Novica in Bali aiming to make souvenirs for a UNICEF workshop in January, 2005. Farmers of Sumberejo village sold 8.28m³ of log called trembesi in local name and mahogany. Several national and domestic companies contacted with PERSEPSI and tried to order certified wood. However, communities could not meet demands of these companies. The reasons can be explained as follows. One problem was that the farmer groups could not meet companies’ demand for large quantities of wide, straight and grainless certified wood. In situations when an owner has to fell trees and conduct quality control himself, it would be impossible to produce sufficient quantities of wood in a sustainable manner. The other problem was that local people were reluctant to sell their wood as certified. They were not quick to honor requests from companies to sell their wood, because they recognized that planted trees were
best saved for emergencies. CoC certified company just started to sell furniture made from certified wood in this area.

A case study of FSC group certification

1. Site description
The South Konawe district lies within the Southeast Sulawesi Province. The district is located at 3° 58.66’ - 4° 31.52’ south latitude and 121° 58’ - 123° 16’ east longitude. It takes 1.5 hours by car to access the district from the capital city, Kendari. The district’s total land area is 451,421 hectares, which covers 11.8% of the Province (BPS, 2008). 38.9% of area is state forest. Agricultural lands, such as paddy fields, home gardens, grasslands, and swamps cover 61.1%. In 2007, its population was 237,918, resulting in an average density of 52.71 persons/km², approximating to 4 people per household. At the time, it consisted of 293 villages in 22 sub-districts. 72.4% of the population was farmers.

In 1969, the local government established a policy to increase teak plantation areas in Southeast Sulawesi with financial supports from Agricultural Department. The forest rehabilitation program could plant 8,795.94ha of teak plantation forests. Subsequently, Industrial Plantation Forest Program (HTI: Hutan Tanaman Industri) planted teak with the area of 15,742.35ha (JAUH, 2006).

When the New Era (Orde Baru) regime by the Suharto era collapsed in 1998, illegal logging activities in the South Konawe district began to damage teak forests. Illegal logging activities in Konawe district state forests were implemented by outside operators. Local people were highly involved in these illegal activities. Almost all people engaged in a variety of illegal activities, including cutting trees and extracting saving logs between 2002 and 2004. To solve such situations, Ministry of Forestry began a social forestry program. The social forestry program covered the three aspects: area management, institutional management and business management. The area management is the efforts for forest farmer groups to make a plan and implement, monitor and evaluate forest areas. Institutional management is efforts to plan and apply internal rules, and to manage memberships and internal programs. The business management is the efforts and programs for farmer groups to increase members’ welfare and economy. The local government of South Konawe encouraged 46 surrounding villages to participate in the program, with 24,538ha of planted teak forests and the remainder of bare land (JAUH, 2006; Dinas Kehutanan Propinsi Sulawesi Tenggara, 2005). While local people awaited licenses, they also managed private teak forests. The private forests obtained FSC group certification in May, 2005, with support of an international NGO, the Tropical Forest Trust (TFT), a local NGO, the Forest Network (JAUH: Jaringan Untuk Hutan), and the cooperative for sustainable forests (KHJL: Koperasi Hutan Jaya Lestari).

2. Actors involved in FSC group certification
The followings are related actors’ roles in the process of getting certification.

- JAUH: this local NGO encouraged local people to acquire certification of private forests.
- KHJL: this cooperative guided local people in the process of acquiring licenses to manage state forests, and worked to increase the production of farmer groups and encourage sense of belonging between local people.
- TFT: this provided funds, technologies and information while buying certified wood from KHJL.
The relationships among these organizations are shown in Figure 1.

![Figure 1. Relationships among actors in group certification](image)

3. Membership of KHJL and certified forest management

Village farmer groups became candidates for group certification. At the beginning, twelve villages were targeted, but this number gradually increased to 21 in 2008. In addition, KHJL is considering including all 46 villages in the social forest program in the future. However, not all farmer groups can become KHJL members. Those wanting membership and certified forests must meet several requirements (Figure 1):

- They must possess teak forests of at least 0.25 hectares. There is no rule regarding the number of teak seedlings. However, this KHJL regulation was modified in May 2005. Currently, at least farmers need to have lands to plant teak seedlings.
- They must possess land tenure certificates. This regulation follows FSC’s Principle 3 of the FSC Principles and Criteria, and requires the following:
  ✓ A Certificate of Land Ownership (sertifikat tanah milik) granted by the National Body of Land Affairs (BPN: Badan Pertahanaan Nasional)
  ✓ A Letter of Acknowledgement of Land Ownership (girik) granted by the village office
  ✓ A Letter of Land Ownership (SKK) granted by the head of the village, and
  ✓ A Letter of Tax Notification (SPPT) granted by the tax office

They must pay main savings (Rp. 12,000), obligatory savings (Rp. 12,000 annually) and voluntary savings. These savings are used to pay for KHJL’s forest management services. Even though they may become KHJL members, a member’s teak forest is not automatically certified. They must follow procedures, such as taking an inventory of standing teak stocks and creating forest maps. Subsequently, each forest land is evaluated by KHJL to determine whether it satisfies certification requirements.

In 2004, the number of KHJL members was only 194 from 12 villages. However, membership has increased since 2005. In 2008, this number was 556 individuals from 21 villages, which implies that an average of 14.5% members in 21 villages is affiliated with KHJL.

Table 3 shows the number of lands and areas of certified teak forests in the 21 villages
in 2008. Certified land units consisted of 801 units comprising 609 hectares. Average of certified land units and areas consisted of 1.4 units and 1.1 hectares, respectively. While the proportion of certified forests was only 1.3%, there were significant differences among villages: the largest village had 11.2% and the smallest had 0.06%. In 2008, teak stand and the volume of KHJL-managed community forests in the targeted 21 villages were 1,860 trees and 678.5m³, respectively. Thus, while only small proportion of the teak forests currently has forest certification, it is possible that these numbers will increase in the future.

KHJL rules for managing teak forests state that teak trees more than 30 cm diameter can be cut. The total volume of harvested teak wood has been increasing annually, and by 2008 the total volume of selling woods became 808m³ with 16,075 pieces.

Table 3. Number of lands and area of certified teak forests of FSC group certification

<table>
<thead>
<tr>
<th></th>
<th>Certified land unit (unit)</th>
<th>Certified land area (ha)</th>
<th>Proportion of certified forests (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average of each village</td>
<td>1.4</td>
<td>1.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Total</td>
<td>801</td>
<td>609</td>
<td></td>
</tr>
</tbody>
</table>

Source) BPS (2008); KHJL (2008)

4. Economic incentives of forest certification for local communities

Forest certification can positively affect local communities. The greatest advantage is its economic impacts, specifically that of reducing the costs of extracting loggings from forests and receiving dividends (SHU: Sisa Hasil Usaha).

The costs of extracting logging in the process of producing certified wood can be reduced for KHJL members (Table 4). The main difference between certified and non-certified woods is whether a prepaid system can be applied before cutting certified trees. The members can earn income from non-certified forests after implementing a series of processes. On the other hand, in the case of selling certified woods, local farmers can receive a 60% pre-payment of the total payment from KHJL. The pre-payment system can alleviate local farmers’ burden because they need not financially prepare in advance for completing the series of activities. Differences in required costs, particularly for carrying them from the roadside to log yards were also observed between non-certified and certified woods. While local people had to cover this cost for non-certified woods, they split it in half with KHJL for certified woods. Thus, local KHJL members are able to reduce this cost by having certified forests.

KHJL members can also receive dividends (SHU). Dividends are benefits for cooperating in the business of selling certified woods. The proportion of distribution can be determined based on the membership agreement. KHJL determines the proportion of distributing the income: cooperation deposit (40%), members (30%), management of KHJL (10%), employee of KHJL (5%), cooperative education such as staff trainings (5%), social support, such as paying for children’s education (5%), and local development (5%). The amount of SHU grew gradually since 2005: Rp. 32,553,712 in 2005, Rp. 116,766,590 in 2006, and Rp. 200,931,200 in 2007 (KHJL, 2007, 2006, 2005). Distribution of SHU for each member is based on his/her amounts of obligatory and voluntary savings. The more they allocate to voluntary savings, the more income they receive. Each member may only receive a small amount of dividends. However, this additional income can increase farmers’ incentives to sustainably manage their forests. The SHU system also provided strong incentives for non-members to join KHJL. Thus, forest certification could contribute to improve their local livelihoods.
Table 4 Cost of extracting certified woods of FSC group certification

<table>
<thead>
<tr>
<th></th>
<th>Cutting trees in forests</th>
<th>Transporting from forests to timber yard1</th>
<th>Transporting from timber yard 1 to timber yard 2</th>
<th>Transporting from timber yard 2 to harbor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified woods</td>
<td>Owner pays 100%, KHJL pays 60% in advance.</td>
<td>Owner pays 100%</td>
<td>Owner and KHJL pays 50%, respectively (KHJL prepares truck).</td>
<td>KHJL pays 100% (company prepares container)</td>
</tr>
<tr>
<td>Non-certified woods</td>
<td>Owner pays 100%</td>
<td>Owner pays 100%</td>
<td>Owner pays 100% (company prepares truck)</td>
<td>Owner pays 100% (company prepares container)</td>
</tr>
</tbody>
</table>

Source) primary data
Note) Timber yard 1 is located on the side of roads and timber yard 2 is a place owned by KHJL (certified woods) or company (non-certified woods)

Discussions

1. Forest certification as a tool for further developing community forest

There were still spaces for existing community forests in private forests as HR and state forests as HKm to be further developed. While in HR areas, intensive national plantation activities have been implemented, it highly depends on the farmers’ individual attitudes, whether the planted forests are well managed or not. In the Southeast Sulawesi case, local people neglected managing community forests, and explored illegal activities in the surrounding state-owned teak forests to earn much more money. However, after the introduction of FSC group certification, farmers returned to their traditional forest management in the private forests. This case revealed that local people could return their own private forest if the forests could get additional economic values as forest certification.

As for HKm, community forests in the state forests managed by Perum Perhutani have a long history of the tumpang sari in Java. The tumpang sari system allows local people to intercrop among teak trees, while local people are encouraged to plant and manage the teak trees, and local people also can share some benefits from cut trees with Perum Perhutani. However, local people could only implement intercropping for two or three years before tree canopies close. Researchers in Gadjah Mada University developed a new tumpang sari model with wider intercropping areas in a sustainable manner (Harada et al., 2006). However, Perum Perhutani hesitated to support the new system. The situations that intercropping system could not sufficiently maintain local livelihoods decreased motivations for local people to manage planted trees, and consequently provoked expansion of illegal logging activities in the forests.

Thus, the current community forests as HK or HKm are not necessarily attractive for local people. The introduction of forest certification for community-based forest management may become motives for developing a new participatory forest management model because of the following reasons. First, the forest certification can add new value to existing traditional local forest management. Forest certification has the potential to improve local economic situation because the price of certified wood in the international markets may be set higher than normal wood. The higher price of certified wood can become farmers’ incentives to manage forests more adequately, and consequently can prevent illegal logging activities. Second, forest certification can empower local organizations. Because transparency of cutting and distributing certified forests should be assured, empowering existing organizations, constructing additional
organizations and developing individual capacity building for managing certified forests should be vital. Third, certification can allow local people to manage their forests with self-confidence, and give chances for local people to look back one more time on their closest community forests.

2. Challenges for further developing forest certification

Some challenges of forest certification were identified. First, it costs a lot for acquiring and maintaining forest certification. Additionally, farmer groups should have some funding to buy certified wood from local people and somehow stock the wood to meet consumers' requests at any time. In the case of FSC group certification in Southeast Sulawesi, several factors to lead to the success were identified, such as TFT’s efforts to tied up relationships between producers and consumers, to support local NGOs financially and technically, the local NGO’s initiatives to manage intensively organizations dealing with certified forests. On the other hand, in the case of LEI PHBML in Central Java, while farmers groups were supported partially by WWF and GTZ at the initial stage, a local NGO managed everything by itself, and its’ capacity could not often meet demands from companies. It’s a big challenge how small-scale can manage financial aspects. Second, there exist two similar concepts of certification, LEI and FSC. The situations make local producers of certified wood and the international markets confused. There was agreement on Joint Certification Program (JCP) between FSC and LEI in 2002. JCP targeted natural forests. JCP’s purposes were to learn FSC certification scheme for LEI, to improve quality LEI’s standards to meet requirements at both the national and international level, to ensure its stance at the international level and to develop mutual recognition and understanding between the two certification systems. However, JCP could not develop its’ specific criteria and indicators, and instead JCP had to meet both FSC and LEI standards. JCP could not be successfully managed as it may have been expected, and JCP was finally halted in December, 2005.

In 2010, FSC and LEI launched a new attempt for collaboration (FSC, 2011c). They have been exploring potential areas for collaborative forest management and forest certification. At the moment, FSC and LEI have identified six specific areas for collaboration, including community-based forest operations. It is expected that the cooperation between the two certification schemes has the potential to benefit from synergies. Third, forest certification such as LEI PHBML and FSC group certification should emphasize more on community development. As mentioned before, the proportion of forest certification for community-based forest management is quite small. These certification schemes have to definitely compete with other certification schemes for natural and plantation forests in the international markets. It should provide some additional value by focusing on communities in order to be constantly chosen by consumers. A new approach for applying the concept of fair trade in forest certification has recently been promoted (Tayler, 2005; Macqueen, 2008). FLO set lowest price for companies to buy products and also ensures for companies to pay additionally for local people to implement social development projects. Therefore, it’s a big advantage for forest certification to cooperate with FLO. In 2009, FSC began implementing dual Forest Stewardship Council- Fairtrade Labelling Organization (FSC-FLO) certification projects. The dual certification scheme may become an entry point to rediscover local participation for community forest.
Acknowledgement

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