



RESEARCH
PROGRAM ON
Forests, Trees and
Agroforestry



Food and Agriculture
Organization of the
United Nations

License to leverage the capacity of small and medium scale furniture enterprises in Indonesia to access global markets

About the project

Compliance with the Indonesian Timber Legality Verification System (SVLK) is needed in order to obtain Forest Law Enforcement, Governance and Trade (FLEGT) licensing. To facilitate the uptake of SVLK among small and medium-sized enterprises (SMEs), the Indonesian Ministry of Environment and Forestry promotes group certification and provides subsidies. However, challenges remain, especially for micro- and small-scale furniture producers due to the high cost of compliance. These furniture producers are often poorly organized with limited capacity to support group certification. They have little understanding of SVLK's processes and market benefits, and few incentives are provided to pursue SVLK certification.

Despite the challenges, group certification of furniture SMEs in Jepara and other districts has been successfully piloted. The Wooden Furniture and Handicraft Producer Association of Jepara (APKJ), the Center for International Forestry Research (CIFOR) and supporting partners worked together with SMEs in Jepara to comply with and obtain timber legality certificates, resulting in better access to European markets. Our approach has enormous potential for scaling up, with SMEs as the targeted participants. It is essential that APKJ strengthens its organizational capacities to attract larger-scale, new furniture producers and support existing members. Sharing lessons learned and successes from Jepara would increase the chance of increasing the adoption of SVLK by other noncertified small-scale furniture makers in Indonesia.

Objectives

This project will build on the ongoing collaboration between APKJ and CIFOR. CIFOR facilitated the establishment of APKJ in 2008 and has collaborated with small-scale furniture makers in Jepara since then. CIFOR will strengthen APKJ's managerial capacity and continue to support its visibility. The project will connect with larger initiatives involving key stakeholders in the industry.

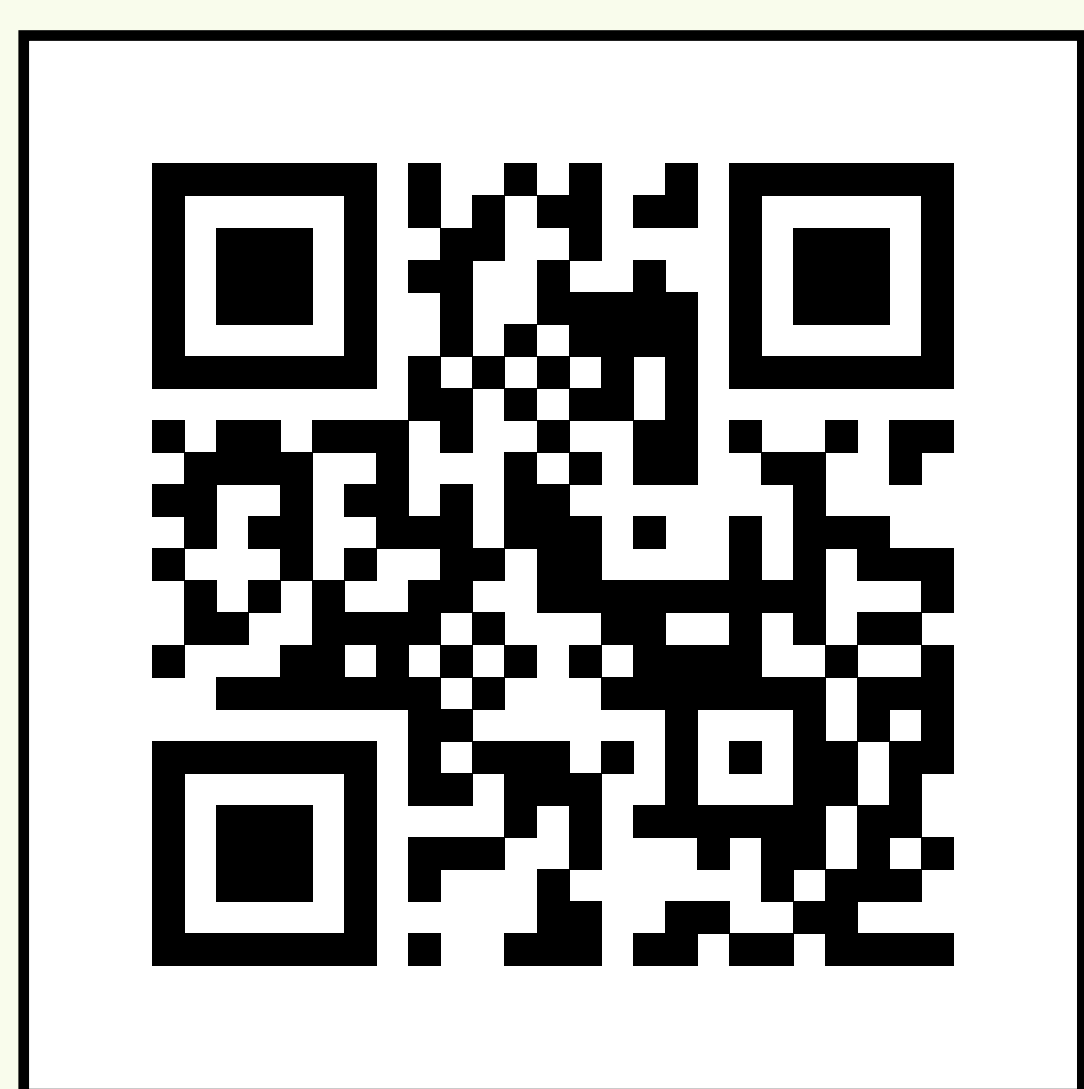
The project will extend the strong collaboration between APKJ and CIFOR by using cross-cutting expertise to trigger discussions among furniture producers in Pasuruan with the aim of establishing a furniture producer group to facilitate SVLK group certification. Using Jepara and Pasuruan as the focus of this study, the aim is to assess the SVLK compliance of micro- and small-scale furniture producers and increase SVLK uptake.



Work plan

APKJ and CIFOR will carry out the study from August 2019 to August 2020 in Jepara Regency, Central Java Province and Pasuruan Regency, East Java Province. Four outcomes will be pursued:

| Outcome 1 Understanding SVLK standard and business performance | Outcome 2 Building capacity to comply with SVLK standard | Outcome 3 Strengthening the capacities of APKJ in SOPs | Outcome 4 Communication and visibility of the project |
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| <ul style="list-style-type: none">Develop a methodology for the assessment of SVLK uptake by micro- and small-scale furniture enterprises in Jepara and Pasuruan.Collect data in Jepara and Pasuruan.Hold focus group discussions with key furniture SMEs, furniture business associations and local governments in Jepara and Pasuruan.Produce data analysis and recommendations for increased SVLK uptake and business performance. | <ul style="list-style-type: none">Develop training module for SVLK training of micro- and small-scale furniture enterprises.Provide SVLK training for SMEs in Jepara and Pasuruan.Share lessons from SMEs that have successfully gained access to EU markets with those who have not. | <ul style="list-style-type: none">Strengthen APKJ in SOPs, capacity in fundraising and internal coordination.Undertake consultation meetings with district government agencies, SMEs and timber association representatives to formulate strategies to increase SVLK compliance. | <ul style="list-style-type: none">Hold a project inception workshop.Hold a final workshop presenting the outcomes and lessons learned from the project.Communicate the project's progress and findings. |



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