# WOOD TRACEABILITY SYSTEM OPERATING IN INDONESIA









Background

# Indonesia



181,157 million ha land area

133,574 million ha forestland

# Indonesia: Forestry

- Forest area by <u>function</u>
- Logs production by forest management type
- Illegal logging is one of the forestry problems which should be addressed by the parties in synergy at local, national and international level.
- Indonesia-Japan collaboration in combating illegal logging and the trade of illegally logged timber and wood products 2003-2011.

# Objective of Japan-Indonesia Collaboration

- Combating illegal trade of illegally logged timber and wood products
- Improving forest law enforcement for controlling illegal logging
- Improving economics opportunities for the local communities
- Increasing awareness of the threats of illegal logging
- Promoting sustainable forest management

# **Project implementation**

#### Activities:

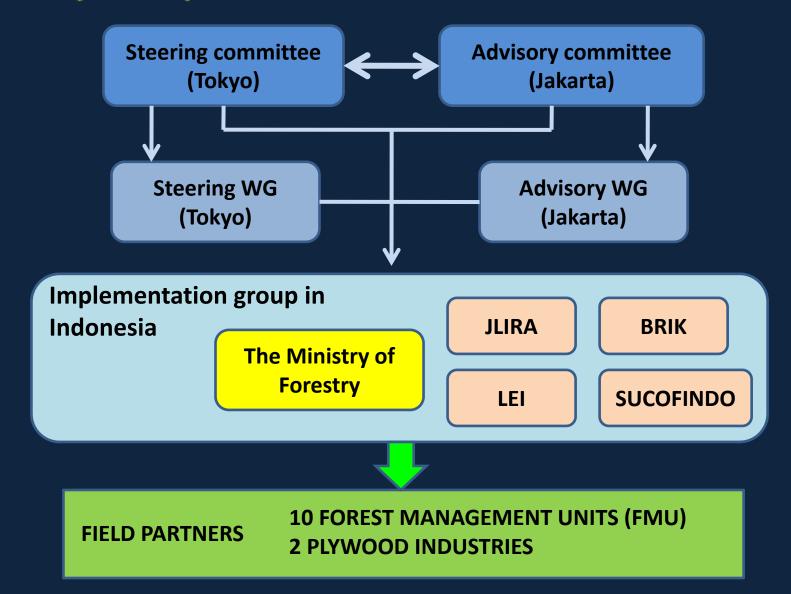
- Study on timber administration
- Development of wood traceability system in the forest
- Development of wood traceability system for industry
- Designing integration with the national online timber administration system (SIPUHH-on line)
- Field testing
- Workshops

#### ■ Time frame

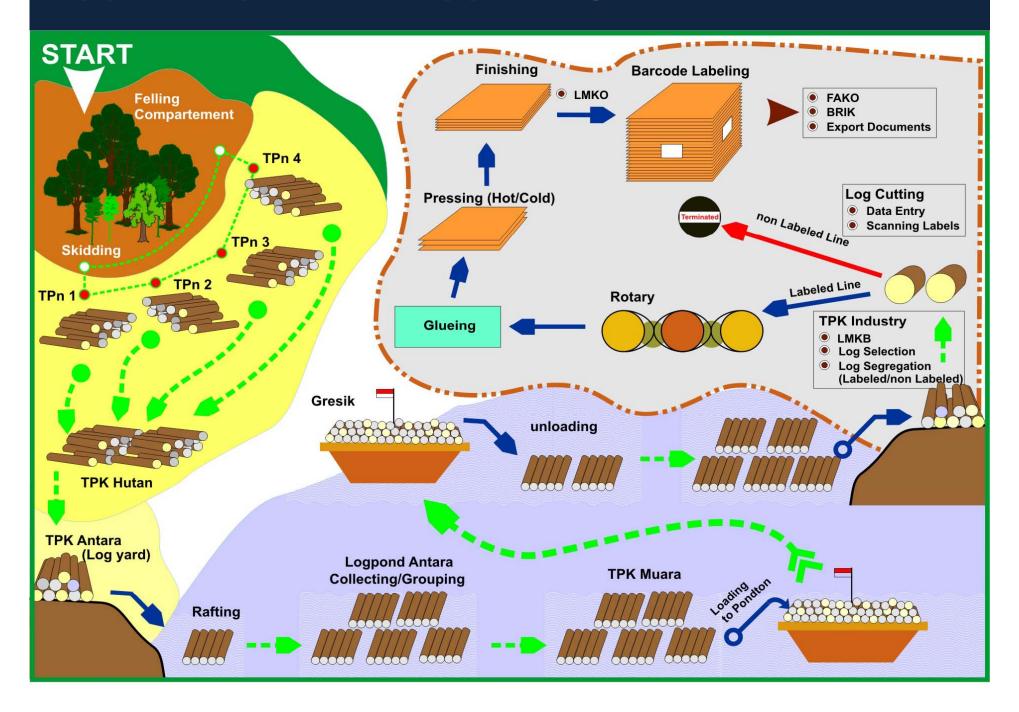
Two phases: phase 1 (2003-2007), phase 2 (2008-2011)

### .....continued

## **Project implementation structure**

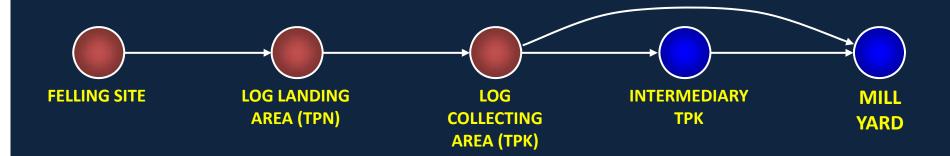


## WOOD TRACEABILITY COVERAGE



# **Project achievement**

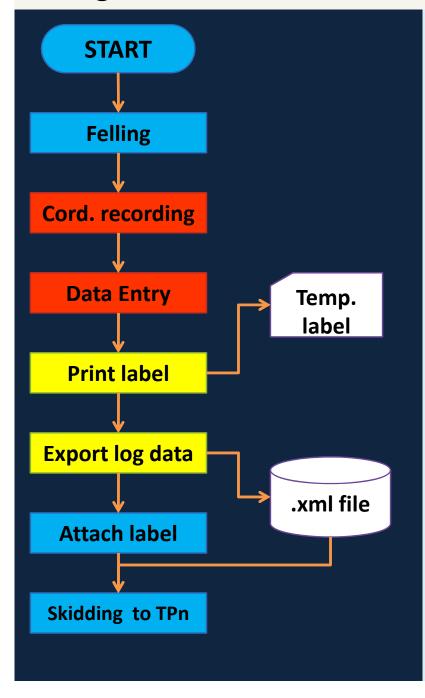
## 1. Logs traceability system within the forest



Within forest concession area

**Outside forest concession area** 

### **Felling Site**



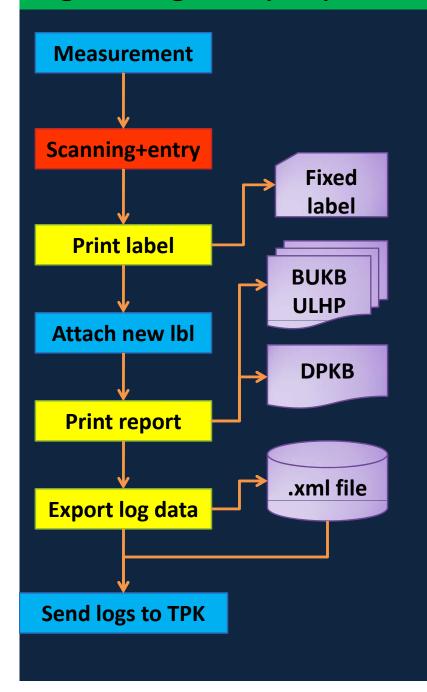
## Attaching label to log & stump



#### Legend:



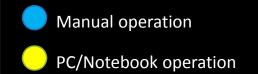
### Log Landing Area (TPn)



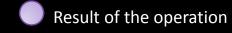
# Print report



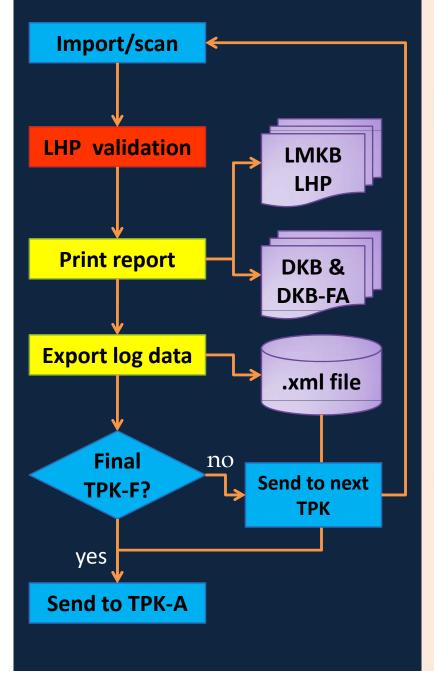
#### Legend



MT/Handheld operation



## Log Collecting Area/TPK –(in the forest concession area)



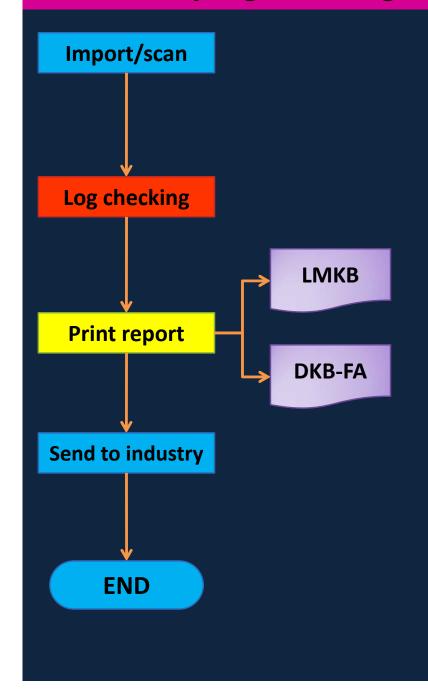
## **Print report in TPK-F**



#### Legend:



## Intermediary Log Collecting Area (TPK outside the concession area)



## Import log data in TPK-A



#### Legend

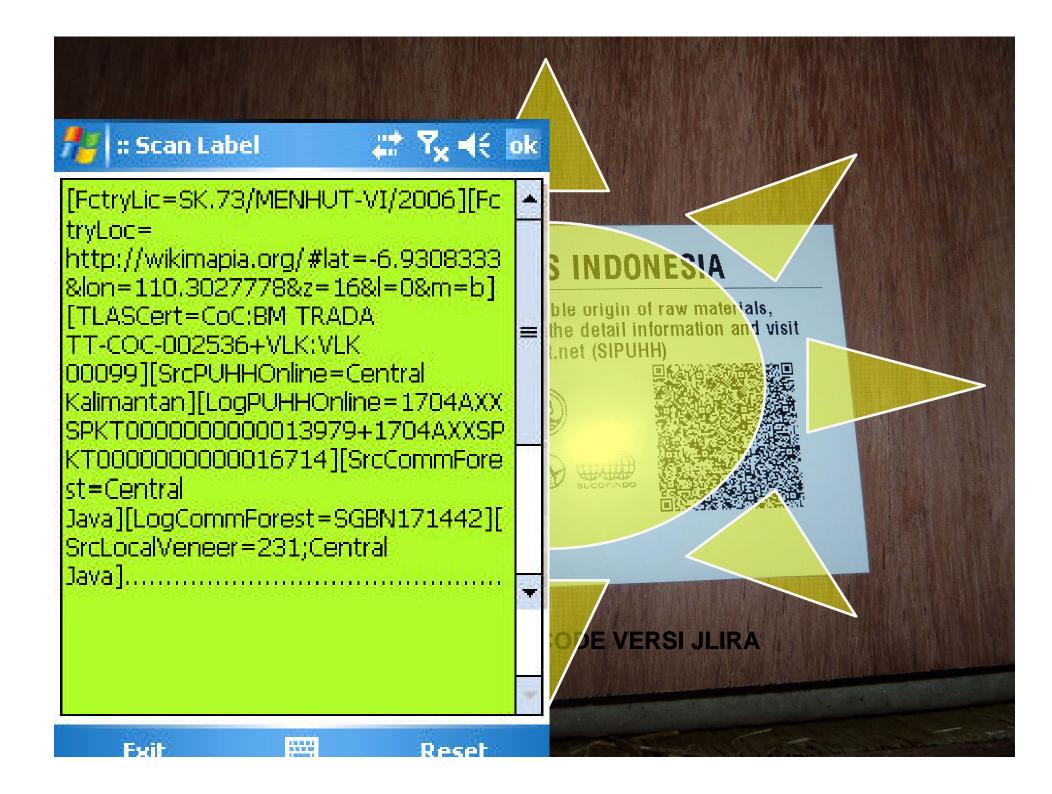


# 2. Logs traceability system within the factory



### Raw materials tracking method





# Equipments

- 1. Mobile Terminal
- 2. Notebook Computer
- 3. Barcode Printer
- 4. Paper Printer
- 5. Battery
- 6. Inverter

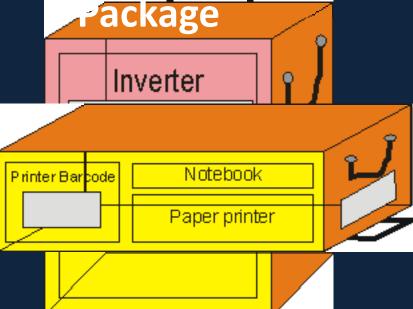


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# PACKAGING

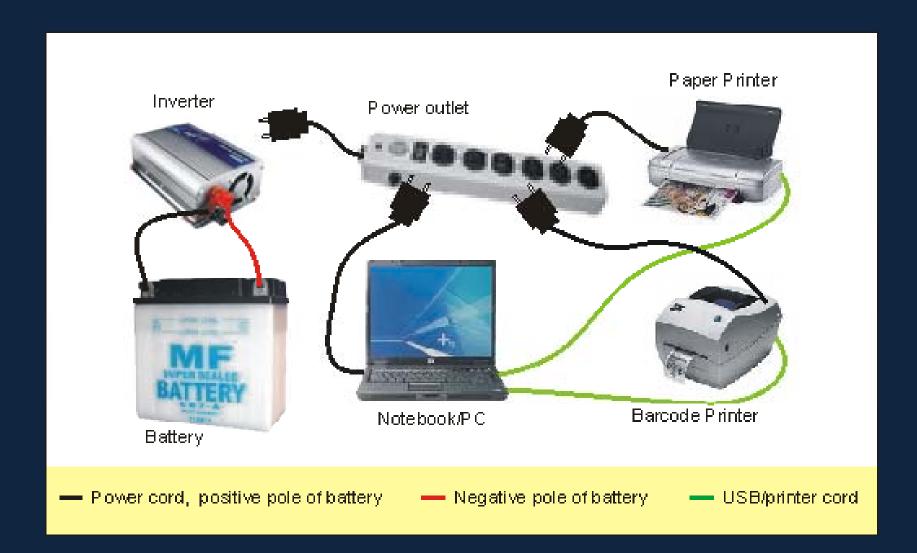
1. Power Package

2. Comp. & Printer cackage





# Connection Scheme of Equipments



# INTEGRATION WITH THE NATIONAL TIMBER ADMINISTRATION ON LINE SYSTEM (SIPUHH ONLINE)

- In parallel the MoF has been develop the on-line timber traceability system, currently 61 FMU implementing the system.
- Why should the online system?:
  - 1. Improving transparency, accountability and professionalism in timber administration
  - 2. Reducing transaction cost and avoiding direct contact of parties of timber administration
  - 3. Facilitating more parties including public to be able to monitor logs transport and administration in a real time.
  - 4. Effective monitoring for forestry tax
  - 5. Improving market trust in terms of legality assurance

# Supply Chain for Timber from State Forest

(based on Permenhut No.P.55/Menhut-II/2006 jis P.63/Menhut-II/2006, P.8/Menhut-II/2009 dan P.45/Menhut-II/2009)

- Proposed TCR
- Approved TCR
- Proposed AWP
- Approved AWP
- Bucking
- Scaling & Grading
- •Log-listing (DKB)
- Proposed LPR
- •Approved LPR

- •Billing PSDH & DR)
- •Payment of PSDH & DR
- Log-listing (DKB)
- •Issuance of SKSKB
- Preparation of LMKB
- Preparation of LMKB
- •Preparation of DKB-FA
- Invalidation of SKSKB/ FA-KB by P3KB
- •Issuance of FA-KB
- Invalidation of SKSKB by P3KB
- Issuance of LMKB
- Invalidation of SKSKB/FA-KB
- Preparation of LMKO
- Issuance of FA-KO

**FELLING SITE** 

#### **LOG-LANDING**

# -PUHH ONLINE START

- Order ID Barcode
- Print Barcode Label
- Attach Barcode
- Entry Data
- Transfer Data from HRC to Computer
- Upload Data LPR
- → Approved LPR

## LOG COLLECTING AREA

- Log-listing (DKB)
- Collect ID Barcode from DKB
- Transfer Data from HRC to Computer
- Upload, Verify and Validate Online
- Issue SKSKB Online

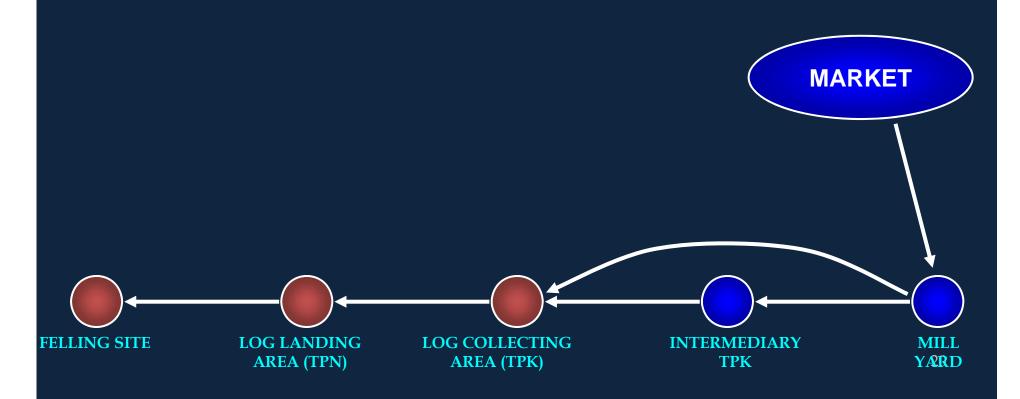
### TRANSIT LOG COLLECTING AREA

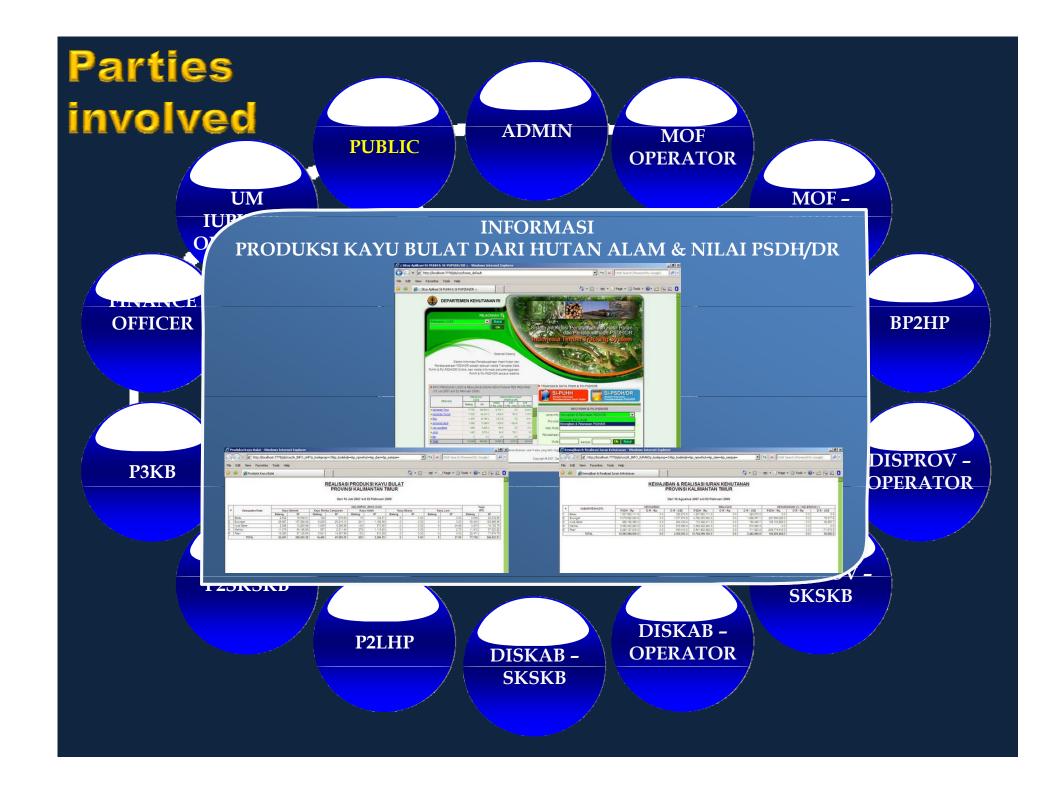
- Invalidate SKSKB/ FA-KB
- Download Data SKSKB (+DKB)/FA-KB (+DKB-FA) (Online)
- Transfer Data from HRC
   to Computer
- Upload, Verify and Validate Online
- Issue Validation Report Online
- Issue subsequent FA-KB

#### **MILL-YARD**

- Invalidate SKSKB/ FA-KB
- Download Data SKSKB (+DKB)/FA-KB (+DKB-FA) (Online)
- Transfer Data from HRC to Computer
- Upload, Verify and Validate
  Online
- Issue Validation Report Online

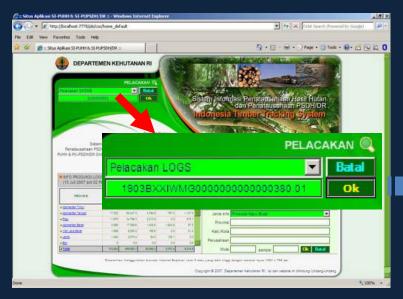
# Tracking the logs



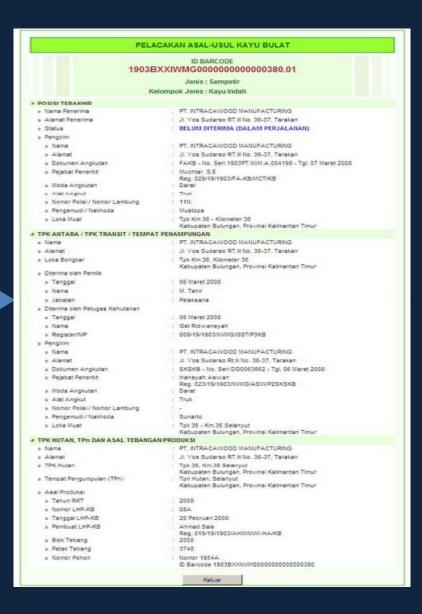


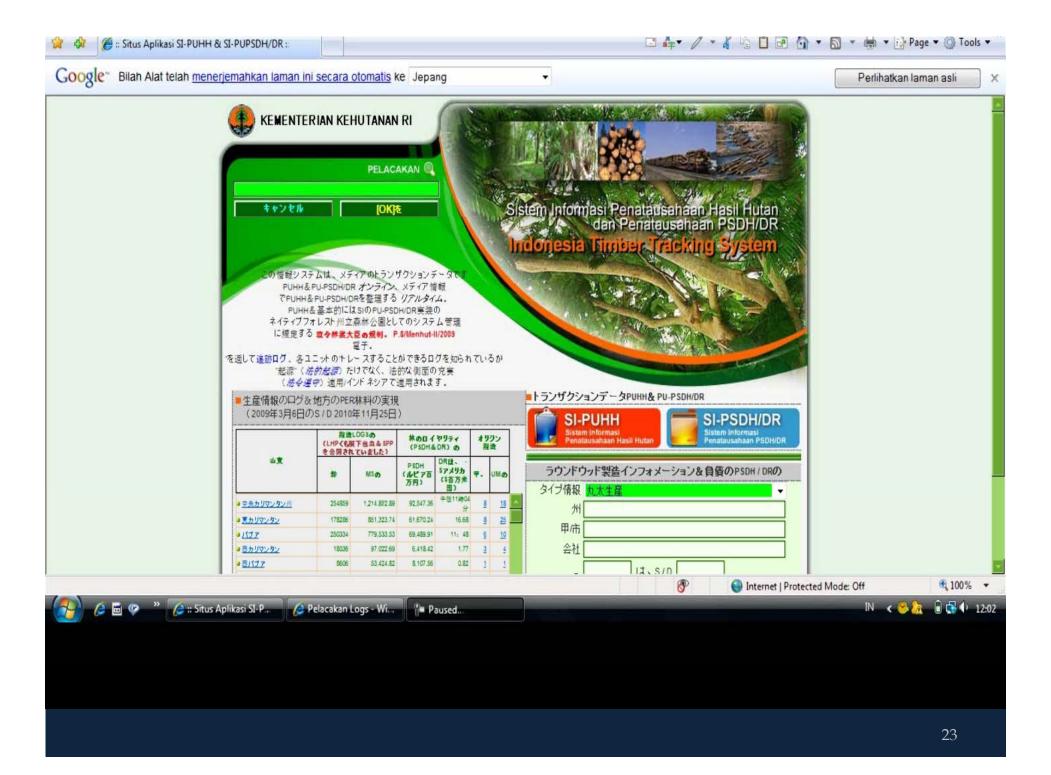
# On line log tracking

## http://puhh.dephut.go.id

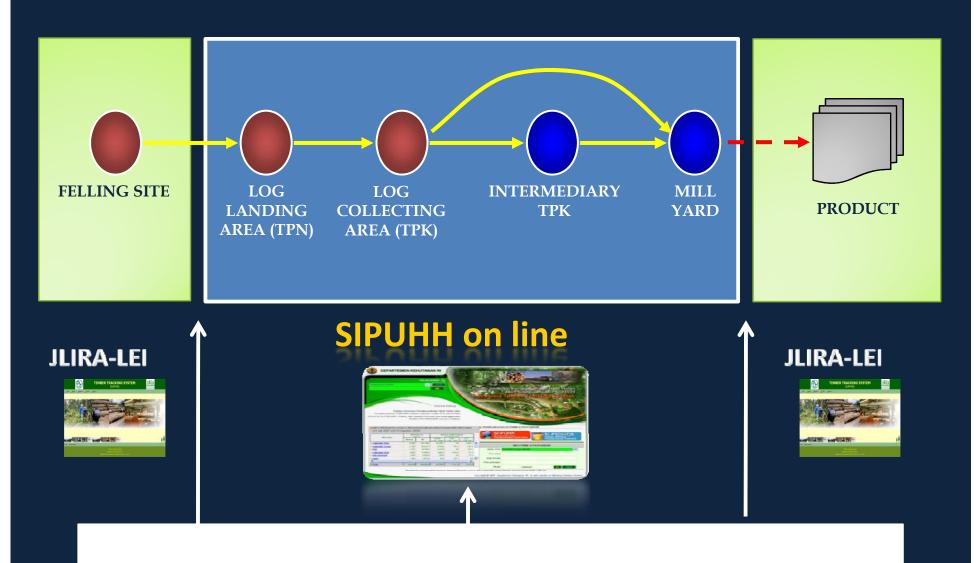


Translated to other languages using Google translation facility





## **INTEGRATION**



JLIRA-LEI OFF LINE SYSTEM

# Benefit

- Forest management unit/industry:
  - 1. Accelerating timber administration handling process
  - 2. Improving control and efficiency of logs utilization
  - Improving branding image as the products has been legally verified

#### Government:

- Effective control on logs transportation and administration including its associated taxes
- Ensuring that Indonesian exported wood products comes from traceable legally/SFM sources
- 3. Improving forest governance in order to combat illegal logging and trade of illegally logs and timber products
- 4. Facilitating public participation in monitoring logs and timber products administration

#### ....continued

#### Consumers:

- 1. Obtain the assurance that the purchased wood products comes from traceable legally/sustainably managed forest
- Demonstrating concern to support SFM by purchasing legal/SFM verified wood products
- 3. Demonstrating concern to support climate change actions in reducing degraded forest caused by illegal logging

# Challenges

- Development and application of the system for other forest management types: plantation forest and community forest
- Development and application of the system for other wood processing industries
- Improving capacity of the parties involved in the implementation of the IT-based system

# THANK YOU