Annual report

Mahogany and teak furniture: action research to improve value chain efficiency and enhance livelihoods

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**Prepared by**
Dr Herry Purnomo  
Project Leader – Center for International Forestry Research (CIFOR)  
Jl. CIFOR, Situ Gede, Sindang Barang, Bogor Barat, 16115, Indonesia  
Phone +62 251 8622 622 Fax + 62 251 8622 100  
Email: h.purnomo@cgiar.org

**Co-authors/Contributors/Collaborators**
Rika Harini Irawati, Siti Nooryasyini, Atie Puntodewo, Ramadhani Achdiawan, Sylvia Kartika (CIFOR), Nunung Parlinah, Rachman Effendi (FORDA), Efi Yuliati Yovi, Dodik Ridho Nurrochmat, Bahruni, (IPB), Ahmad Fauzi, Salembayong, Jamhari, Margono, Bambang Kartono, Muhtadi, Edi Turmanto (FRK)

**Approved by**
Dr Andrew Wardell  
Director of the Forests and Governance Programme  
Center for International Forestry Research (CIFOR)
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1 Progress summary

Overall the third year of the project had been carried out according to the project proposal. The third year of activities started with the annual meeting on 8–9 June 2010 in Jepara to evaluate and communicate the project’s results to the project advisory group and other stakeholders, including Jepara local government and furniture producers. The meeting evaluated the second year project activities and planned the third year activities. The project team reported on value chain and gender studies, an institution survey, a marketing portal and a tourism and shopping map, as well as dissemination activities and project financial management. The project advisory group members were satisfied with the project accomplishments. The meeting concluded that the second year of the project had been successful and suggested establishing strategies for ensuring the sustainability of the Small Scale Furniture Producers Association (APKJ).

The value chain study recommended four scenarios that would lead to improvements for small-scale producers namely: ‘moving up’, ‘collaboration down’, ‘association’ and ‘green product’. The moving up scenario encourages small-scale producers to move up to the higher stages in the value chain. In the buyer-driven value chain, the higher stage generally has control over the lower stages. The collaborating down scenario urges small-scale producers to collaborate with wood traders and tree growers to secure wood supplies. The Small-scale association scenario suggests organizing small enterprises locally and assisting them to access financial institutions and markets. The green product scenario is conducted to produce certified, eco-labeled or green furniture which requires up and down coordination between various companies in the value chain.

The ‘moving up’ scenario was continually implemented among others through trade exhibitions. Facilitated by the project, APKJ participated in exhibitions during Jepara Expo, on 3-6 August 2010, hosted by the government of Jepara. On 11-15 October 2010 APKJ exhibited at CIFOR's annual meeting. APKJ practiced exhibiting and marketing skills while project members demonstrated some of the research results and outreach materials produced thus far.

APKJ managed two booths in an Export Products Exhibition that took place at Jakarta International Expo, on 13–18 October 2010. APKJ association members gained practical experience interacting directly with international buyers. APKJ also joined the International Furniture & Craft Fair Indonesia (IFFINA) on 11-14 March 2011 in Jakarta (Annex 1). IFFINA is the biggest furniture exhibition in Indonesia presenting the widest range of Indonesia’s furniture and handicraft products. In the exhibition APJK promoted the products of its members, introduced APKJ and its activities and helped to open access to new markets.

The ‘collaboration down’ scenario was implemented through promoting understanding of raw material supply behavior and planting teak by small-scale producers (Annex 2). The planting is an example of how the producers can utilize the land surrounding their houses, as well as common land. The ‘green product’ scenario was implemented through chain of custody certification training on 27–29 July 2010 in collaboration with the Indonesian Export Training Centre of the Ministry of Trade.

The project strengthened the process of ‘association’ by supporting the annual meeting of APKJ in 10 May 2011 (Annex 3). Three other training activities were conducted in the third year with regard to exhibition management and motivation, furniture finishing and entrepreneurship for women. In addition, the APKJ and the project manages a marketing portal at the following site www.javamebel.com.

With regard to policy, the project is facilitating the development of strategic plan for the furniture industry in Jepara, entitled ‘a roadmap for the furniture industry 2012-2022’. The roadmap will guide the future development of the furniture industry in Jepara. BAPPEDA
(Jepara Government Planning Agency) is the main partner for this work with contributions for all key actors in Jepara including ASMINDO and APKJ itself.

At the international level, on 27 August 2010, a paper entitled “Livelihood Strategies of Small Scale Furniture Producer in Jepara Central Java in Facing Tight Market Competition” was presented at XXIII IUFRO World Congress, in Seoul, South Korea (www.iufro2010.com/). This paper describes the importance of furniture making activities to household income and its comparison to other livelihood activities (Annex 4). The people’s livelihood of Jepara was also presented in the The 2010 China-ASEAN International Wood Culture Forum, Guangxi, China on 19-22 November 2010. The presentation looked at how furniture production is connected to culture and livelihoods (http://www.woodculture.org/iwcs/?pageID=-3&ProjectID=af1103080016). The development of the marketing portal in Jepara and how it works were presented during AFITA (Asian Federation for Information Technology in Agriculture) (http://afita2010.ipb.ac.id/), conducted by Bogor Agricultural University (IPB) on 3-7 October 2010.

A paper entitled “Value Chain Governance and Gender in the Furniture Industry” and a movie entitled “Survival of Javanese Furniture” were presented at the 13th Biennial Conference of the International Association for the Study of the Commons (IASC) 2011. in Hyderabad, India from January 10th to 14th (http://iasc2011.fes.org.in/).

Furthermore two articles were submitted to international journals and two articles were published and disseminated in a national journal. A book written collectively by local stakeholders, a ‘tourism and shopping map’, and a policy brief were also published. The project continues to manage http://www.cifor.cgiar.org/furniture/ to communicate the project activities and results.
2 Achievements against activities and outputs/milestones

Project achievements during the third year of the project are presented below in successive tables arranged according to project objectives and activities.

**Objective 1: To enhance the structure and function of the furniture industry for the benefit of small-scale producers**

<table>
<thead>
<tr>
<th>No.</th>
<th>Activity</th>
<th>Outputs/ Milestones</th>
<th>Completion date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3</td>
<td>Develop multistakeholder processes to support the needs of small-scale producers and overcome their policy constraints</td>
<td>Workshop reports of comprehensive strategy to enhance the furniture industry (PC)</td>
<td>December 2010; March 2011</td>
<td>The process of developing a comprehensive strategy was started on 23 December 2010, and then continued on 8-9 March 2011. Annex 5 and 6 provide the minutes of the workshops. The comprehensive strategy will be completed in 2012 as stated in the proposal.</td>
</tr>
</tbody>
</table>

Under Objective 1, the project aims to develop a comprehensive strategy for the Jepara furniture industry for 2012-2022 (the so-called roadmap), to ensure the sustainability of the industry and increase benefits to small-scale producers. Two sequential workshops were carried out to formulate the furniture industry Roadmap on 23 December 2010 and 8-9 March 2011. All key stakeholders including Jepara local government, ASMINDO, KADINDA, and APKJ shared their vision for the future of the industry. At the first workshop, all presented their suggestions and concerns, and they agreed the project would facilitate the process of formulating the roadmap. At the second workshop, all stakeholders presented their ideas and suggestions for the roadmap and the project team developed the 1st draft based on this input. The process will be continued in meetings scheduled for July 2011, and we target having the roadmap completed and agreed by the end of 2011. We also envision having a Jepara local government decree for implementing the roadmap in 2012.

**Objective 2: To improve marketing by small-scale producers and their organisations**

<table>
<thead>
<tr>
<th>No.</th>
<th>Activity</th>
<th>Outputs/ Milestones</th>
<th>Completion date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>Workshops and facilitation to adapt market demand and certification</td>
<td>Training reports on market demand and certification</td>
<td>July 2010</td>
<td>The minutes of certification training conducted on 27 – 29 July 2010 is attached in Annex 7. Training for “Trade exhibition preparation management” was carried out on 28 September 2010.</td>
</tr>
</tbody>
</table>

Document of market action plan for each furniture producer champion | May 2011 | Annex 9 provides document of market action plan.

Under objective 2, APKJ which CIFOR helped establish in collaboration with the Indonesian Export Training Centre of The Ministry of Trade, held a chain of custody certification training on 27–29 July 2010. The aim of the training was to raise the level of awareness of chain of custody certification systems within the Jepara area. This certification is a tracking system that regulates wood from seedling to sales room. It includes information on where trees were planted and harvested, through the factories for processing and furniture making, until the wood is sold to the end user. By maintaining this chain, everyone in the industry can recognise legally procured timber. Thirty APKJ members participated in the training. They learned new ways of thinking about certified timber that they could share with their colleagues and other association members. Following the training, each small-scale producer champion carried out a self assessment. As well as the training, a study of the timber legality verification system was conducted by IPB, one of our partners (Annex 10).

Considering that certification is buyer driven, a study on furniture buyer perspectives is also important. A green furniture study, including how to market it in Jepara, Jakarta and its surrounding area, is being conducted by a PhD student of IPB associated with this project.

To understand market demands and behaviour, APKJ and its members participated in three trade exhibitions located in Jepara, Bogor and Jakarta. They followed up the exhibitions by direct communication with buyers hoping to secure business orders. Based on trainings and experienced gained in various trade exhibitions, each small-scale producer champion developed an action plan on how to improve market access.

**Objective 3: To monitor changes regarding the effects and early acceptance of innovations from objectives 1 and 2 and revise and / or enhance project strategies**

<table>
<thead>
<tr>
<th>No.</th>
<th>Activity</th>
<th>Outputs/ milestones</th>
<th>Completion date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3</td>
<td>Undertake monitoring throughout project and feed results back to activities for each objective</td>
<td>Report on monitoring of project impact (PC)</td>
<td>March 2011</td>
<td>We started the project monitoring by having Focus Group Discussion to assess the impact we have achieved so far. The report is given in Annex 11.</td>
</tr>
</tbody>
</table>

Under Objective 3, the project evaluation focus group discussion (FGD) was conducted in March 2011. The FGD developed aspects, criteria and indicators for assessing the progress in a participatory way. There are five aspects in evaluating the project i.e. empowerment and institution, economy, social, environment and policy. Each aspect consists of criteria, each with its own set of indicators. For instance the aspect of Empowerment and institution consists of criteria focusing on: (1) Small scale producers trained; (2) Involvement in workshops; (3) Small scale producers committed to joint decision making processes; (4) Representatives of small scale producers initiate further proposals regarding the marketing strategy of the furniture industry; (5) Empowered furniture value chain (FVC) project partners in Jepara; (6) The role of women in the organization; (7) Established and strengthened small-scale furniture producers association; and (8) Increasing the coordination of small-scale producers with a better functioning of associations. The criterion of Small scale producers have been trained
consist of indicators covering (a) Small scale producers attending the training; (b) Small scale producers deepen or gain new knowledge from the training; and (c) Small scale producers successfully implement the results of the training.

The FGD participants then assessed all indicators, and concluded the project has improved the social, economic and policy environment of small-scale producers in Jepara. These indicators will be subject for monitoring in the coming years.

We had a coordination meeting with Barbara Ozarska and her team (FST/2006/117: Improving added-value and small-medium-enterprise capacity in the utilization of plantation timber for furniture production in Jepara region of Central Java, Indonesia) to discuss the way to monitor the project.

We also conducted many surveys to gain insight on the current status of Jepara’s furniture industry. The surveys include a gender study within the furniture value chain, an institutional survey, updating the Jepara atlas (Annex 12) and spatial data development methods for supporting the furniture value chain analysis. The gender study focused on women’s roles within furniture production in every type of value chain governance.
3 Impacts

3.1 Scientific impacts

The paper entitled “Value Chain Analysis of Furniture: Action research to improve power balance and enhance livelihoods of small-scale producers” presented at the XIII World Forestry Congress, Argentina was quoted in several articles. The articles among others are “The impact of the global economic slowdown on value chain labour markets in Asia (Sugarda and Tambunan, 2009) and Indonesia’s trade access to the European Union: Opportunities and challenges (Lord, 2010). The value chain method and findings have also been used as teaching material at IPB.

The success of the use of Internet marketing portal for small-scale producers has been disseminated at the AFITA conference in October 2010 through papers entitled “Roles of Information Technologies for Small Scale Furniture Business” (Annex 13) and “How does the marketing portal work for small-scale furniture producers” (Annex 14). It is not very common for small-scale producers to use the internet for collective marketing. Generally it is the larger producers who have adopted this approach. The papers attracted interest from national scientists during the presentations and become a repository at IPB for reference purposes for their students.

The paper of “Value Chain Governance and Gender in the Furniture Industry” presented at IASC 2011, would be included in a special issue of International Forestry Review Journal focusing on gender (Annex 15). It can be used as a reference text on the role of women in small-scale industry. CIFOR and its partners conducted an impact assessment on the rattan value chain in Kalimantan and Java, by using criteria and indicators developed by the Jepara Furniture Value Chain project. We also shared the indicators with ACIAR project of FST/2006/117: Improving added-value and small–medium–enterprise capacity in the utilisation of plantation timber for furniture production in Jepara region of Central Java, Indonesia.

3.2 Capacity impacts

The project has developed the human resource capacity of partners and students of IPB. For small-scale producers the second round of book writing has improved the capacity of local actors in expressing and writing their experiences, ideas and interests. They wrote about their life experiences in the furniture industry. As in the first round, all writers were new to writing books. Sutrisno wrote about Jepara carving; Sujarot wrote about government policy in the furniture industry; Utomo wrote about the competitive advantage of Jepara furniture; Sudiharto wrote about Jepara community forestry; and Alfiatun wrote about women struggling in the Jepara furniture sector.

The project supported Ririn Wulandari, PhD student of IPB, to conduct a green furniture buyers study and its marketing strategy. The study covered Jepara, Jakarta and its surrounding areas. Three bachelor students of IPB are conducting research in Jepara and are supported by the project. Woro Sutia Lestari is conducting a study on the furniture carbon cycle; May Caesarry Rachmadini is conducting a study on teak wood supply from community forestry; and Anita is conducting a study on the teak cutting cycle and economy for furniture. An intern, Diana Vela Almeida, is doing research on the collective action of APKJ (Annex 16). She is Ecuadorian, and a master student from Wageningen University. Another intern, Susan Nansereko from Copenhagen University, has completed her masters and sent her thesis to the project (Annex 17).
The project also improves the capacity of BAPPEDA (Jepara Government Planning Agency) in developing a strategic plan for the furniture industry in Jepara. In collaboration with BAPPEDA, the project is facilitating the development of a roadmap in an inclusive and participatory manner by inviting and involving all key stakeholders (KADINDA, ASMINDO, FEDEP, APKJ, Forestry District Unit, Cooperative and Small-Scale District Unit, Industrial District Unit, HPKJ, ASEPHI) in the development of the roadmap. BAPPEDA admitted that it was a new experience for them to develop a plan in such a way. They usually hire a consulting firm or a consultant to develop it.

3.3 Community impacts

3.3.1 Economic impacts

During APKJ’s exhibition at CIFOR’s annual meeting visitors to the booth and tent showed their enthusiasm with orders and immediate purchases, inspired by the Jepara pricing schemes. About 65% of the products exhibited were sold to Indonesian and foreign customers. Total sales from this expo were more than 7 million rupiah (~775 USD). These numbers do not include the orders taken for future deliveries, facilitated by the catalogues APKJ had produced. APKJ’s booths in the Export Products Exhibition were visited by about 500 visitors, and APKJ collected some 100 names and contact details. The percentage of items sold at this Expo was smaller than the exhibit at CIFOR's annual meeting, in part because this event aims to develop relationships with prospective buyers who might cooperate over the long term for larger sales. APKJ’s participation in IFFINA has promoted the products of its members, introduced APKJ and its activities and opened access to new markets.

In all exhibitions and work of project, the internet collective marketing portal of www.javamebel.com was promoted. Orders coming via the portal consist of 66 furniture pieces valued at more than fifty millions rupiah. These millions of rupiah of new business transactions are occurring to APKJ members. In return they have to fulfil the buyers’ satisfaction. APKJ members get economical benefits from the portal and at the same time they learn how to satisfy customers from around Indonesia as well as foreign buyers. Buyer satisfaction is key for the sustainability of the portal.

Some APKJ members were also able to get small-scale loans Bank Rakyat Indonesia. This is the proof that training in finance was useful for them. During the training we invited people from the bank to provide clear explanations on how to access credit for small-scale business, with low interest rates.

3.3.2 Social impacts

Through various meetings, socialization and communication, and trade exhibitions APKJ has increased networking with business enterprises, governments, other trade associations etc. including international organizations. As a result APKJ was invited to numerous meetings in Jepara, Bogor and Jakarta as well as being visited by representatives from national and overseas universities.

The project work has increased communication and networking between small-scale producers as well as amplifying their voice in the social and political arenas in Jepara. For example, during the Jepara Expo, the Jepara Government provided exhibition stands for ASMINDO and APKJ of the same size. This is a clear indication that APKJ has been recognized by the local government. APKJ was also invited to represent small-scale producers in decision making processes of the local government.
During the workshops between APKJ and other small-scale organizations in Central Java (e.g. Blora, Klaten) and Yogyakarta on 21 - 22 December 2010 (Annex 18), we agreed to develop KPMN (Komunitas Pengrajin Mebel Nusantara or Indonesia furniture producer community). KPMN is live now and improves networking through mailing list, facebook and direct communication among members.

The films entitled “Survival of Javanese Furniture” published by CIFOR in CD (20 minute length) and YouTube [http://www.youtube.com/watch?v=Mw6TOjFzlqA](http://www.youtube.com/watch?v=Mw6TOjFzlqA) (4 minute length) have also increased public awareness on the struggles of small-scale producers as well as increasing understanding of the differences between producers who support mass production of cheap furniture and those who produce high quality furniture at higher prices.

## 3.3.3 Environmental impacts

Furniture in Jepara is a cultural heritage. The distribution of Furniture Tourism and Shopping Map (Annex 19) has provided a new way to value furniture, not through the product buying but through its story, design and people. The local government and producers can increase their incomes by inviting tourists to visit Jepara and enjoy the story, design and people behind the furniture industry. This will conserve the use of wood and provide income from non-timber forest products.

The small-scale producers through “collaboration down” action participated in plantation training and planted teak trees. A thousand high quality teak seedlings were planted on small-scale producers’ private and common lands. This teak planting will green the environment, store carbon and secure future raw materials. It is through this kind of example that producers can act to address the shortage of raw materials. The planting also increases the challenges for collaboration among producers for teak planted on community common land. However, planting teak is only part of the work, other aspects include maintaining the trees, benefit sharing, harvesting and reinvesting the benefits.

The small-scale producers have been trained in certification and encouraged to enter the certification market. They are ready, but green furniture after all is buyer driven. A study of domestic green buyers is being conducted. In the future, Jepara small-scale producers can sell some of their products as green furniture to green buyers. Another study on carbon storage in furniture is also being conducted.

## 3.4 Communication and dissemination activities

The project has published a series of newsletters to communicate research activities and results in English and Indonesian. The English newsletter is called Furniture Value Chain (FVC) News and in Indonesian INFO MEBEL Plus. The third FVC News was published in July 2010 (Annex 20) and the fourth was published in January 2011 (Annex 21). The third INFO MEBEL Plus was published in November 2010 (Annex 22) and the fourth in January 2011 (Annex 23). These newsletters were distributed among furniture practitioners, researchers, businessmen and activists and we received good feedback from them. In addition, APKJ produced a simple bulletin in Indonesian to communicate its activities to its members.

The project findings and outputs were orally presented at XXIII IUFRO World Congress, 3th Biennial Conference of IASC 2011 and AFITA. All presentations attracted sizable audiences and were followed up through direct communication.

Since the beginning of the first year the project maintains a website at [http://www.cifor.cgiar.org/furniture](http://www.cifor.cgiar.org/furniture) to communicate the project plans, activities and outputs including newsletters, papers, media coverage and events. As indicated by the
website, the project activities and impacts have been covered by various media such as Femina, Tempo, Kompas, Bisnis Indonesia and National Geographic.

The head of APKJ, Margono was invited to a national seminar and appeared in the provincial newspaper Suara Merdeka dated 1 February 2011 (Annex 24). Margono shared the experience of developing APKJ with the readers. Sulthon, a local project facilitator also appeared in Suara Merdeka on 28 April 2011, talking about the project activities in Jepara (Annex 25).

The book in Indonesian entitled “Menunggang Badai: untaian kehidupan, tradisi dan kreasi aktor mebel Jepara” was published by CIFOR and disseminated to all related stakeholders. The book is downloadable from http://www.cifor.cgiar.org/furniture/_ref/outputs/books.htm#2 (Annex 26). Circulation of the Calendar 2011 made by APKJ and the project has also promoted APKJ and the project activities in Jepara and beyond. The FORDA partner has published and disseminated its policy brief entitled “Ketidakseimbangan Distribusi Nilai Tambah dalam Rantai Nilai Mebel”. Articles entitled “Analysis of Value Chain Governance: Scenario to develop Small – scale Furniture Producers” (Annex 27) and “Upgrading wood-based Industries: Harnessing the Social Network of Small – Scale Furniture producers and Their Institutions” (Annex 28) were published in a national journal Jurnal Manajemen Hutan Tropika by IPB circulated in late 2010.
4 Training activities

During the third year, various trainings were conducted based on the training needs assessment study conducted previously. Table 4.1 presents training activities conducted in the third year. The impacts of training were monitored in line with Objective 3 of this project.

Table 4.1. Training activities conducted

<table>
<thead>
<tr>
<th>No</th>
<th>Training Topics</th>
<th>Aim</th>
<th>Method</th>
<th>Target participants</th>
<th>Facilitators</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chain of Custody Training (27-29 July 2010)</td>
<td>To equip small-scale producers with knowledge on certification and motivation to implement it</td>
<td>In-class theory, discussion and practice</td>
<td>Small-scale producers, members of APKJ</td>
<td>CIFOR in collaboration with BPPEI (Indonesian Export Development and training center) of Ministry of Trade</td>
</tr>
<tr>
<td>2</td>
<td>Exhibition Management (28 September 2010)</td>
<td>To equip small-scale producers with exhibition management, negotiation, and business communications skills</td>
<td>In-class theory, discussion and practice</td>
<td>Small-scale producers, members of APKJ</td>
<td>Aris Darujo, was Senior Industry Advisor at Development Alternatives Incorporation USAID SENADA project (Annex 29)</td>
</tr>
<tr>
<td>3</td>
<td>Management and Motivation training for Small Scale producers (3-4 October 2010)</td>
<td>To enhance small-scale producers with motivation to success, social and organizational skills</td>
<td>In-class theory, discussion and practice</td>
<td>Small-scale producers, members of APKJ</td>
<td>FORDA and professional business trainers (Annex 30)</td>
</tr>
<tr>
<td>4</td>
<td>Furniture finishing and entrepreneurship (Conducted on 11-12 May 2011)</td>
<td>To equip women with furniture sanding skill and business entrepreneurship</td>
<td>In-class theory, discussion and practice</td>
<td>Women workers</td>
<td>IWAPI (Ikatan Wanita Pengusaha Indonesia – Indonesian Women Entrepreneur Association Jepara), STDNU (Jepara Furniture Design College) and APKJ (Annex 31)</td>
</tr>
</tbody>
</table>
5 Intellectual property

The outputs resulting from this project are regarded as public goods and are, therefore, expected to be applicable to stakeholders beyond the project sites. The project has shared methods of action research monitoring with other projects in Jepara and Kalimantan. We consider these to be public goods. Project implementation institutions will follow CIFOR's Intellectual Property (IP) rules as described in the project document.
6 Variations to future activities

All activities planned for the third year were completed. These accomplishments have increased the small-scale furniture producers’ incomes, network and skills. Gaining access to premium markets is still progressing, and will be continued in the fourth year of the project. APKJ in Jepara has been scaling up to KPMN in Central Java and Yogyakarta to capitalize on wider interest in organizing small-scale producers of furniture.

Closer coordination with another ACIAR project in Jepara entitled ‘Improving added value and small medium enterprises capacity in the utilisation of plantation timber for furniture production in Jepara region (FST/2006/117)’ implemented by the University of Melbourne and its Indonesian partners has been carried out particularly in coordination of training and project monitoring. The value chain project will gain benefits from this project in terms of improving wood drying for the small-scale producers to produce better furniture.
7 Variations to personnel

The project is hiring Siti Nooryasyini to assist the project due to the maternity leave of Rika Harini Irawati, the project officer. We continued to facilitate internships. An intern, Diana Vela Almeida from Wageningen University, is conducting research in Jepara. Three bachelor students from IPB are also doing research for their undergraduate degree in Jepara (Annexes 32, 33, 34), and one PhD student from IPB is also conducting research in Jepara.

There have been no significant changes in project personnel from FORDA, IPB or FRK. We continue to get support from CIFOR’s GIS specialist Atie Puntodewo for developing the Jepara tourism map and we have hired Lutfy Abdullah for modelling wood supply and demand. We got initial support from Rubeta Andriani, a CIFOR staff, for analysing the impact of Chinese ASEAN Free Trade Agreement (CHAFTA) on Jepara furniture. Sylvia Kartika of CIFOR is now in charge of the budget management of the project.
8 Problems and opportunities

The project did not face significant problems in implementing activities during the third year. The coordination among project members ran well. We had regular meetings, workshops and intensive communication among the project members. Each project member communicated what she or he did and shared the results.

The implementation of the free trade agreement between ASEAN and China (AFCTA or CHAFTA) scared many furniture producers, both small and large-scale. They were afraid that they could not compete with Chinese furniture, which typically has cheaper prices. This became a potential new problem for the Jepara furniture industry. However, this has triggered Jepara to find their niche and competitive advantages in the furniture trade against China. They believe they can compete in solid furniture and carving. They also believe Jepara has uniqueness in terms of design and history that cannot be imitated by Chinese producers.

CIFOR continued to endorse the harmony between APKJ and ASMINDO, as the latter had been wrongly perceived as a large furniture company association. We also care for and improve the role of women in the furniture industry as female workers are paid less than their male equivalents.

The interest of producers outside Jepara in APKJ was facilitated and has been transformed into the larger association of KPMN. This gives new opportunities to scale up the project, thereby increasing the potential for direct impacts on producers based outside of Jepara.