



## Summary of Indonesia-European Union Action Plan on the Advancement of VPA Implementation

### Background

In 2007, Indonesia embarked with the European Union (EU) on the negotiation of a Voluntary Partnership Agreement (VPA) under the Forest Law Enforcement, Governance and Trade Action Plan (FLEGT). Central to the VPA is a Timber Legality Assurance System (TLAS), known in Indonesia as Sistem Verifikasi Legalitas Kayu (SVLK) which is laid down in Forestry Minister's Regulation P.38/Menhut-II/2009 and its latest revisions, P.43/Menhut-II/2014 and P.95/Menhut-II/2014.

The parties concluded VPA negotiations in May 2011 and signed the Agreement on 30 September 2013. The Agreement was ratified in March and April 2014 by the Government of Indonesia and the Council of the EU and entered into force on 1 May 2014.

The Agreement stipulates that once the FLEGT licensing scheme has gone alive, any timber products covered by the Agreement arriving in the EU without a valid FLEGT licence will be denied entry.

Before FLEGT licensing can commence, the VPA requires that a joint independent assessment of the TLAS is carried out. The first stage of this assessment was concluded on 24 September 2013, and the second stage of the assessment took place from 23 September to 31 October 2014. The assessment was conducted jointly by experts from Indonesia and the EU as agreed by the Joint Implementation Committee overseeing the implementation of the VPA. The main objective was to inform both Parties on technical preparedness and performance of the TLAS, both system and implementation wise, to ensure the issuance of credible FLEGT licenses. For a summary of the experts' report, see the Public Summary Stage II Joint Assessment.

Since its first regulation in 2009, Indonesia has also gained experience in implementing the SVLK and has revised it several times to strengthen and adapt it to the evolving context of the forest sector.

### Indonesia-EU Action Plan on the Advancement of VPA Implementation

The two stages of the joint TLAS assessment reported significant improvements of the SVLK since the VPA negotiation ended in 2011. By the end of 2014, the joint expert team concluded that the SVLK was a robust system and that only a few system issues like the handling of imports still need to be developed. Both parties agreed to develop a joint action plan, called the Indonesia-EU Action Plan on the Advancement of VPA Implementation. Its purpose was to address the remaining issues raised by the expert team with the ultimate aim of achieving FLEGT-licensing as soon as possible. Most of these issues are implementation related. During the Indonesia-EU Joint Expert Meeting held in Solo on 17-18 November 2014, the parties drafted detailed action points and related time frames of implementation.

The plan details a series of action points aimed at informing the JIC decision regarding the possibility of FLEGT licensing by mid-2015. In this context, Indonesia and the EU agreed to establish a Joint Working Group to monitor progress against this action plan.

Here is below a summary of the plan:

Implementation of SVLK nation-wide: ensure that only SVLK timber is entering into SVLK supply chains including raising awareness on Supplier's Declaration of Conformity; providing reliable data on SVLK implementation and increasing significantly the number of registered technical staff at local level , as well as trained Head of Villages and Conformity Assessment Bodies (CAB) auditors.

Control of imported timber: develop and implement regulations pertaining due diligence requirements for imported raw material and adjust CABs procedures accordingly.

Control of FLEGT licensing: develop and implement regulation for oversight and control of the Licensing Authorities to issue V-Legal Documents/FLEGT licences.

Information sharing between SVLK verification actors: ensure consultation of relevant external parties during CABs audits, and report non-compliances detected by CABs to Ministry of Environment and Forestry (MoEF) for timely follow-up including measures to ensure the link between SVLK audits and law enforcement.

Independent monitoring: increase the number of monitoring activities and document more timely follow up on complaints filed, ensure Independent monitors security and identify a mechanism for sustainable funding.

Supply chain control: add information on the status of the timber in transport documents, in industries, and registered timber depots reports.

Public disclosure: make available required information for Independent Monitoring as described in the VPA, including at provincial and district levels, and encourage public disclosure by agencies outside of MoEF.

VPA monitoring: recruit a third party organization in charge of Periodic Evaluation in an open and transparent process and get it ready to operate; design and test the VPA impact monitoring methodology and get it endorsed by the JIC.

VPA Annex review: finalize the joint revision of VPA Annexes I, II, and V and get these revised annexes endorsed by the JIC.

JIC functioning: finalize and endorse the JIC' s rules of procedures and arbitration; and set up the JIC Secretariat.

Reporting on progress of VPA implementation: establish a Joint Working Group to assess and report the progress of joint Action Plan implementation to JEMs, and through the JEMs to the next JIC meeting to inform its decision on the date to issue first FLEGT licenses and to define longer term activities after FLEGT licensing started.

The Joint Working Group (JWG), composed of representatives from all Indonesian stakeholders and the EU, was formally established in late January 2015 and met for the first time on 13 February 2015.

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