



RECORD OF DISCUSSION
1st Meeting of the Joint Implementation Committee
Indonesia-EU VPA
Jakarta, 24 September 2014

A. Introduction

1. The Republic of Indonesia and the European Union (EU) have signed and ratified a Voluntary Partnership Agreement, guided by the EU FLEGT Action Plan. FLEGT stands for Forest Law Enforcement, Governance and Trade. The VPA came into force on 1 May 2014. The Agreement stipulates that Indonesia and the EU shall establish a joint mechanism, known as the Joint Implementation Committee, to consider issues relating to the implementation and review of the Agreement.
2. The first Joint Implementation Committee (JIC) was held in Jakarta on 24 September 2014. The meeting was co-chaired by Dr. Putera Parthama, Indonesia's Senior Adviser for International Trade and Partnership for the Minister and Ambassador Olof Skoog, head of the EU Delegation for Indonesia, Brunei Darussalam and ASEAN.
3. The Indonesian delegation consisted of representatives of the Government of Indonesia, civil society and private sector. The EU delegation consisted of the EU Delegation in Jakarta and representatives of EU member states.

B. Opening

4. Indonesia said the JIC is a way to manage collaboration and enhance understanding between Indonesia and the EU. Indonesia stressed that both sides have a good and long relationship in many aspects, including collaborative work on the forestry sector to achieve sustainable forest management. Indonesia is focusing on the development and implementation of its timber legality assurance system, which is called Sistem Verifikasi Legalitas Kayu or SVLK. SVLK is based upon three principles: good governance, representativeness and transparency. SVLK is gaining greater recognition and credibility as a timber legality assurance system.
5. Indonesia said SVLK has been embedded in the VPA and that Indonesia is the first country in the world to have such a system developed through a long and demanding process. Indonesia said ratification demonstrates the political commitment of both sides in the broader effort to maintain and utilize Indonesia's tropical rain forests. This effort requires continued engagement with Indonesia's private sectors, civil society and government agencies to ensure the effectiveness of SVLK.
6. The EU said that the first meeting of the JIC was an important milestone on the road to full implementation of the VPA. The EU appreciated the close cooperation and collaboration between the partners over the past decade.

7. The EU said the first meeting of the JIC is one step forward in ensuring full implementation of the VPA and the start of FLEGT licensing. The EU said Indonesia has significantly improved SVLK to become compliant with the VPA and commended Indonesia for being the pioneer of VPAs in Asia.
8. The EU acknowledged the challenges of the implementation phase of the VPA and the need to share information widely with stakeholders. The EU highlighted the importance of civil society engagement in the process, including its participation in the JIC. The EU said active participation by civil society will enhance the system's credibility and stakeholder trust.

C. Discussions and decisions

JIC rules of procedure

9. Participants agreed to a provisional Rules of Procedure as a working text.

JIC secretariat

10. Participants agreed to establish a secretariat for the JIC.

Stage 2 of the joint assessment of SVLK

11. Moving from stage one to stage two in a joint assessment of Indonesia's timber legality assurance system, SVLK, participants agreed to the expert team's methodology and overall work plan for stage two. Participants agreed to hold a stakeholder meeting to discuss and improve the report of the expert team on 17 October 2014 in Jakarta. The participants officially launched stage two of the joint assessment.

Joint communication strategy for the JIC

12. Participants agreed that a joint communication strategy between Indonesia and the EU shall be treated as a living document. They agreed to the concept of using a "friendly email" as part of the strategy. The friendly email addressee's list will include stakeholders on both the Indonesian and the EU sides. Participants asked the UK supported Multistakeholder Forest Programme (MFP3) and the EU Delegation to follow up on developing the friendly email list and to report to the next Joint Expert Meeting on progress.

VPA annex review

13. Indonesia said that it has revised SVLK standards through an inclusive multi-stakeholder process. The revisions included the scope of products, timber legality definition and some elements of the timber legality assurance system. Participants took note of initial exchanges on a technical level between Indonesia and the EU FLEGT Facility and agreed to hold a Joint Expert Meeting to review the proposed edits to annexes. The final version of revised annexes will be submitted to the JIC for further exploration.

VPA monitoring

14. Alexander Hinrichs of the EU FLEGT Facility gave a presentation on the four monitoring mechanisms that are defined in the VPA: independent monitoring, impact monitoring, periodic evaluation and independent market monitoring. He emphasized the differences between these mechanisms and their links. MFP3 gave a presentation on the scope, methodology, principles and processes associated with impact monitoring.

15. Mardi Minangsari, a representative of the Civil Society Presidium, said SVLK provides a space for civil society to take part in monitoring efforts. She reported that Jaringan Pemantau Independen Kehutanan (JPIK), a network of independent forest monitors supported by more than 400 individual members from 60 organisations, has carried out 35 monitoring activities and filed 12 complaints. As a result, one auditor was suspended. The representative said that civil society is starting to use the independent monitoring system despite challenges such as limited resources, lack of human resource capacity and limited access to information.
16. The meeting welcomed the progress made on all VPA monitoring mechanisms and agreed to review progress at the next JIC. The JIC agreed to ITTO's task to conduct Independent Market Monitoring. Indonesia assigned Ms. Mariana Lubis as focal point for Independent Market Monitoring.

Civil society statement

Mardi Minangsari delivered five key messages:

- a. Call on the EU not to sign a VPA with any partner country that will not include the whole territory of the partner country.
- b. Call on the EU to ensure that its member states adopt the EU Timber Regulation (EUTR) and implement it consistently. The EU must also ensure the readiness of its member states' Competent Authority and enforcement including sanctions on operators and their suppliers, and the law enforcement process should also be transparent.
- c. Indonesia should ensure that all imports are legal.
- d. Call on the JIC to establish a mechanism for filing any complaints and challenges to its own decision.
- e. Indonesia and the EU should ensure implementation of Annex IX on public disclosure of information.

Next JIC meeting

17. The next JIC meeting will be determined by a Joint Expert Meeting.

