



Record of Discussion

4th IND-EU FLEGT-VPA Joint Implementation Committee

Brussels, 18 May 2016

Introduction

The main objective of this JIC Meeting was to follow up on the announcement made by President Juncker and President Joko Widodo on 21 April 2016 concerning readiness to start FLEGT licensing, to take stock of the state of play and discuss next steps.

The Meeting was co-chaired by Mr. Putera Parthama for IDN and Mr. Calleja Crespo for the EU. The co-chairs gave opening remarks expressing appreciation of the tremendous progress made in implementing the VPA due to hard work on both sides and effective collaboration.

Agenda 1. Stock-take of progress on remaining actions of the VPA implementation action plan

The two Parties discussed key elements of progress made, including:

- Official publication of the Ministry of Environment and Forestry Regulation No. 30/2016 on 7 March 2016 and Ministry of Trade Regulation No.25/2016 on 29 April 2016.
- Periodic Evaluation methodology being developed and to be submitted to the Joint Working Group (JWG) review by June.
- VPA impact monitoring mechanism being designed, to be reviewed by the JWG and to be endorsed by the JIC before the start of FLEGT licensing.
- Basic conditions for effective independent monitoring now fully met and to be continuously improved (notably their access to relevant information).
- Data on SVLK national roll-out updated and showing new progress in all segments of private sector.

Further the two Parties agreed on the need to pursue further efforts regarding:

- Roll out of the system and data collection
- Long term perspectives in mind to get support of all stakeholders
- Maintaining the role of civil society in the SVLK through its independent monitoring
- Continue to work on improving transparency
- Reinforcing law enforcement and document related progress
- Setting up a robust periodic evaluation to assess continuously the functioning of the SVLK and the improvement of its performance in the long run

Agenda 2. Timelines and next steps to licensing at both ends

The EU side described their internal process towards FLEGT licensing as follows:

- To launch the FLEGT licensing scheme from Indonesia the EU needs to amend the annex to the FLEGT regulation. The procedure involves the adoption of a Delegated Regulation by the European Commission, which will then be subject to a two-month non-objection procedure by the European Parliament and the EU Council. However, this non-objection period could be extended by additional 4 months if so requested by one of the two institutions.

- At the end of the non-objection period the regulation will enter into force and become applicable after 90 days.
- These three months before the entry into application are required on the EU side to ensure the final preparation of EU Competent Authorities and, most importantly, EU importers who will need time to be fully informed about the new procedure for import of Indonesian products into the EU. According to this timeline, the start of FLEGT licensing is expected before the end of the year.
- The JIC that will identify the actual start date can be convened as soon as the non-objection procedure on the EU side has been successfully completed.

The Indonesian officials informed about the process of preparation in Indonesia. The only action which will be needed on the Indonesian side is the publication of guidance on existing regulations making use of the FLEGT licence (instead of V-legal documents) mandatory for all timber exports to the EU.

Indonesia and the EU acknowledged that the adoption of the Delegated Regulation by the European Commission and its proposal to the EU Council and Parliament to endorse the SVLK as they judge it sufficiently robust and credible as agreed in the VPA, will already send a very strong signal to the market.

Agenda 3. Long term action plan

In line with previous discussions, the Parties agreed on the importance of a long-term action plan to ensure that the SVLK and its roll-out are continuously improved so that the VPA objectives are fully met in the long run. Indonesia and the EU agreed that the JIC should endorse such a joint activity plan at the time when the date for the start of FLEGT licensing is officially set.

Agenda 4. Feedback from SVLK road-show to Europe

The meeting was informed that the Indonesian Delegation had visited Competent Authorities and importers in five Member States: UK, Germany, France, Netherlands and Belgium.

Their main conclusions were:

- All people met had a high level of interest in SVLK and FLEGT licences
- Rather limited knowledge of FLEGT across the Competent Authorities
- Uncertainty about the level of preparedness of the Competent Authorities to handle FLEGT licences
- Eagerness of EU importers to receive FLEGT licensed timber from Indonesia

The EU provided an update about the status of Member State preparation to implement the FLEGT Regulation and the EUTR, and informed about the different actions already undertaken and planned to raise awareness and provide training to customs and FLEGT Competent Authorities.

The EU informed that it will take the opportunity of the next FLEGT Committee meeting on 9 June to discuss the issues raised by Indonesia with the Member States' Competent Authorities.

Agenda 5. Indonesian timber products during transition period before start of FLEGT licensing

In recognition of all efforts and progress made to date, and given that the SVLK has already met all fundamental VPA requirements, the EU proposed that the European Commission informs EUTR Competent Authorities on 9 June that Indonesia is on track to start FLEGT licensing and that V-Legal documents on timber exports from Indonesia, as precursor to future FLEGT licenses, generally provide reassurance in terms of complying with due diligence.

Agenda 6. Communication and preparation of market for FLEGT licensed timber

The Meeting was informed about the draft communication strategy for FLEGT licencing, which includes plans for a market communication initiative to prepare the market for FLEGT licensed timber when the FLEGT licence is a reality.

The two Parties acknowledged that there is a working group on the Indonesia side and agreed to establish a working group on the EU side shortly to do the detailed planning and implementation.

Agenda 7. Other matters

A representative of Indonesian independent monitors expressed appreciation of the good collaboration between Indonesia and the EU and related achievements in the context of VPA implementation. He referred to the position paper that JPIK and other Indonesian NGOs published recently and underlined that the VPA and SVLK were not only about trade but most of all about governance and sustainable management of forest resources. He called for a quick start of FLEGT licensing.

The executive director of the main pulp and paper industry association (APKI) described the readiness and eagerness of its members to see FLEGT licensing start as soon as possible.

The EU provided some information about the recently completed review of the first two years of EUTR implementation (http://ec.europa.eu/environment/forests/eutr_report.htm) and the FLEGT Action Plan evaluation (<https://ec.europa.eu/europeaid/sites/devco/files/report-flegt-evaluation.pdf>) and committed to send related materials to Indonesia to facilitate their communication in country.

Closing

The Co-Chairs delivered their closing remarks expressing their satisfactions for the results of the meeting.