

FLEGT licenses in Indonesia, a world first

As of 15 November, Indonesia is going to issue the world's first FLEGT licenses for the timber products it exports to the European Union. This historic success is the result of long and intensive efforts between government, the private sector and Indonesian civil society (as well as their European partners) aimed at establishing a system that ensures of the compliance of exported timber products with the legal requirements that are applicable in the country.

The Indonesian timber legality verification system - known as *Sistem Verifikasi Legalitas Kayu (SVLK)* and which relies on private audits supervised by the government and independent monitoring by civil society - will be subject to periodic evaluation by a independent auditor. Acknowledged by the European Union as part of the Voluntary Partnership Agreement (VPA) signed with Indonesia in 2013, this national monitoring and control system should improve the governance and sustainable management of forests in Indonesia in an ongoing, participatory and transparent manner.

In terms of all timber products exported by Indonesia that are covered by the VPA, after 15 November 2016, European importers will no longer have to conduct due diligence, they will simply need to present a valid FLEGT license when their products pass through customs. No more gathering or archiving of documents, no more risk assessment or mitigation measures; this is a considerable saving.

A brief overview of the situation:

In order to contribute to end the destruction of forests and the unequal distribution of the profits generated by their exploitation, the European Union (EU) established the FLEGT (Forest Law Enforcement, Governance and Trade) action plan in 2003. It implements two primary strategies whose aim is to prohibit the importation in Europe of timber products made from illegal sources.

First of all, thanks to the negotiation and implementation of Voluntary Partnership Agreements (VPA) with timber-producing countries, the EU proposes to support enhanced legislation and enforcement in these countries thanks to a participatory process. The main objective of these VPAs, which has been achieved in Indonesia, is the establishment of a national system which guarantees the compliance of all timber products that are used and imported, transported, marketed, processed and exported, with the currently applicable legal requirements related to the environmental, social and economic aspects identified in a participatory manner by authorities, the private sector and civil society. Timber products that carry FLEGT licenses issued by this system will therefore be able to enter the European market without restriction.

Moreover, the EU adopted a European Timber Regulation (EUTR) in 2013, which required European countries to develop national legislation prohibiting the importation of illegal timber products on their soil and designating the authorities in charge of monitoring timber product importers' compliance with this legislation. Now European companies that import timber must implement Reasoned Diligence Systems (RDS) to prove to their competent authority that their imported timber product has a legal origin. The RDS must provide relevant information on the products and their supply chain. The information provided regarding the supply chain needs to enable one to assess the risk that the imported products are illegal and measures to mitigate this risk must be taken and demonstrated. If the risk is considered high and nothing has been done to mitigate it, the timber products are considered illegal and the entity that imports them may be subject to sanctions. If the timber products are accompanied by a FLEGT license, they are automatically deemed to be legal.

Useful links:

- <http://www.flegtlicence.org/home> for comprehensive information on FLEGT licenses,
- http://ec.europa.eu/environment/forests/timber_regulation for the official publications on the EUTR
- <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52016SC0034&from=EN>
- and <http://www.clientearth.org/eutr-implementing-legislation/> for the European countries' EUTR implementing legislation.

You can also read the special edition of ETTF newsletter on flegt licence :

<http://www.ettf.info/node/220>