

REPUBLIC INDONESIA-EUROPEAN UNION  
THE 3<sup>rd</sup> TECHNICAL WORKING GROUP MEETING ON FLEGT-VOLUNTARY PARTNERSHIP  
AGREEMENT  
1-2 MARCH 2010, MANGGALA WANABHAKTI, JAKARTA, INDONESIA

RECORDS OF DISCUSSION

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**A. INTRODUCTION**

1. The 3<sup>rd</sup> Technical Working Group Meeting on FLEGT-Voluntary Partnership Agreement between the Republic of Indonesia and the European Union was held in Manggala Wanabhakti, Jakarta, Indonesia on 1-2 March 2010.
2. The Meeting was opened by DR. Agus Sarsito, Head of the Centre of International Cooperation, Ministry of Forestry of the Republic of Indonesia and by DR. Hugo Maria Schally, Head of Unit, Multilateral Environmental Affairs and Trade, Directorate General for Environment of the European Commission. **Annex A** contains the list of members of the Delegation of Indonesia. **Annex B** contains the list of members of the Delegation of European Union.
3. The meeting adopted the agenda which is attached as **Annex C**.

**B. EXCHANGE OF VIEWS AND CONCLUSIONS**

**1. Independent Monitoring**

Both delegations agreed that a more systematic evaluation function of the Indonesian TLAS (SVLK) to complement the NGO independent monitoring function developed by the Indonesian Monitoring Working Group will be further discussed in the next Joint Expert Meeting.

**2. Licensing Scheme**

Indonesia will discuss further the establishment of a licensing scheme. Further work needs to be done to develop a proposal for licensing SVLK timber. This licensing scheme would be recognized as the licensing system under the FLEGT VPA.

**3. Verification and Enforcement Responsibilities**

Indonesia will clarify the procedures applicable to stakeholders/independent monitors and government authorities in case an operator is found to be violating or infringing the law.

**4. Control of Supply Chain**

Indonesia clarified that SVLK requires segregation of verified legal and un-verified timber as indicated in the color differentiation of the certificate and will consider the matter in the context of the development of the licensing scheme.

**5. Linkage Between SFM and Legality Verification Standards**

Both delegations agreed that the SFM audit also covers the legality standard and the operational guidelines need to be clearer in that respect.

## **6. Action Points on the SVLK Guidelines**

Both delegations agreed to review the issues mentioned above in a Joint Expert Group at the end of April 2010.

## **7. Action Points on VPA Legal Texts**

Indonesian delegation needed more time to further study the VPA legal text which will be discussed on the video conference after the Joint Expert Group Meeting tentatively on the 1<sup>st</sup> week of May 2010. Both delegations agreed that the SVLK will be the basis of the VPA. The Annexes of the future VPA will provide a full description of the SVLK including the licensing scheme and the independent monitoring function. There was broad agreement on the need to address the concerns raised by Indonesia on the draft text inter alia with regard to the Joint Implementation Committee, HS Coding, the Independent Monitoring, Independent Market Monitoring and the Market Incentive.

## **8. Next Meeting and Venue**

Both delegations agreed to aim for the 4<sup>th</sup> Technical Working Group (TWG) meeting in Brussels in the 1<sup>st</sup> or 2<sup>nd</sup> week of June 2010. The 4<sup>th</sup> TWG meeting will consider the feasibility of a 3<sup>rd</sup> Senior Officials Meeting (SOM) in July 2010.

**DONE** in Jakarta, Indonesia on the 2nd of March 2010, in duplicate, both texts are equally authentic.

Co-Chair  
(REPUBLIC OF INDONESIA)

Co-Chair  
(EUROPEAN UNION)

DR. AGUS SARSITO  
Head of the Centre of International Cooperation  
Ministry of Forestry of the Republic  
Of Indonesia

DR. HUGO MARIA SCHALLY  
Head of Unit  
Multilateral Environmental Affairs and Trade  
Directorate General for Environment  
European Commission