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March 2021

Indonesian NGOs Joint Statement

# EU Fitness Check - Interim Finding Responses

## I. INTRODUCTION

We the organizations in the Civil Society Organization Coalition working in monitoring the implementation of the Timber Legality Verification System (TLAS-SVLK) hereby deliver our joint statement to the European Commission regarding interim findings of the European Union Timber Regulation (EUTR) and Forest Law Enforcement, Governance and Trade (FLEGT) Regulation Fitness Check.

The FLEGT Voluntary Partnership Agreement (VPA) is a bilateral agreement between the European Union (EU) and timber exporting countries, with the objective of enhancing forestry sector governance and ensuring that timber and timber products exported to the EU are produced in compliance with rules and regulations in the partner countries. In VPA, partner countries develop legality assurance systems for the timber exported to the EU.

To evaluate and assess the effectiveness of FLEGT and EUTR implementation, on September 2020 the European Commission held a FLEGT Fitness Check public consultation for 13 weeks (ending on November 2020).

The interim findings of the FLEGT Fitness Check delivered by the European Commission's Directorate General for Environment in a multi-stakeholder platform meeting early March 2021 contained a number of conclusions, including:

***No evidence that VPAs have contributed to reducing illegal logging in the partner countries and the consumption of illegally -harvested wood in the EU. Slow and very costly processes. After 20 years of negotiations, only one country (out of 15) has an operating licensing system in place. The EU is also considering other alternative support mechanisms in the future to enable partner countries to comply with EU requirements and revoking the licencing scheme.***

In the multi-stakeholder forum attended by a number of CSOs, Ministerial representatives (Indonesian Ministry of Environment and Forestry and Ministry of Foreign Affairs) as well as business associations to provide inputs and responses to the Fitness Check Interim Findings on 18 March 2020, a number of points were expressed, including:

- The stakeholders noted that the EUTR FLEGT Fitness Check Interim Findings combined all the data from partner countries (countries implementing VPA and FLEGT licencing, countries implementing VPA, countries negotiating VPA), and therefore the conclusion provided was too broad;
- Without clearly understanding the research method applied to obtain the data, whether the data source has been validated and to what extent the partner countries were consulted, the stakeholders felt that the European Commission was too early in concluding that the VPAs have not contributed to reducing illegal logging in partner countries and did not capture other detailed information related to the impact of FLEGT VPA.
- The stakeholders questioned whether the Fitness Check interim finding also applies to Indonesia, noting that currently Indonesia is the only VPA partner country that has implemented the FLEGT Licence.
- For Indonesia alone, regardless of its shortcomings, SVLK as the primary VPA instrument was created from a multi-stakeholder process and accommodated the role of civil society in decision making and policy implementation processes. This is one the successes that must be appreciated in the contexts of improving governance.
- Since the implementation of SVLK, the number of illegal logging cases declined from nearly 1800 cases in 2006<sup>1</sup> to 80 cases in 2020<sup>2</sup>.
- Since the implementation of FLEGT licence in 2016, Indonesia's timber product export value increased from USD 9.84 billion in 2016 to USD 11.05 billion in 2020<sup>3</sup>. Meanwhile, furniture export in 2019 rose 14.5% and in 2020 (during the Covid-19 pandemic) continued to increase by 12.2% (USD 2.18 billion)<sup>4</sup>.
- During VPA implementation, legal timber and timber products administrative system (logging, distribution, processing, trade) in Indonesia experienced an improvement, which reduced the space for illegal logging and timber distribution. In the wood chip processing industry, SVLK implementation had a positive impact on reducing indications of illegal timber entering the supply chain<sup>5</sup>.
- The stakeholders also underlined the issue of market uptake, in which the EU has not fully support and promote FLEGT-licenced timber from Indonesia, as mandated in the VPA text.

## II. RESPONSES

In response to the conclusion of the Fitness Check interim findings that were disseminated too soon by the European Commission, we request the European Union to:

1. Provide clarifications regarding the conclusion of the interim findings stating that VPAs do not have significant effect on reducing illegal logging in partner countries.
2. Along with Indonesia improve the weaknesses in FLEGT licence scheme implementation in Indonesia and EU's VPA. For a licence scheme that has been in operation for only four years, it is no surprise that there are still problems in its implementation, both parties must be committed to seek solutions instead of ending the scheme.

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1. Directorate General of Forest Protection and Nature Conservation, 2015  
 2. Ministry of Environment and Forestry, State of the Indonesian Forests, 2020  
 3. Timber Legality Information System, Ministry of Environment and Forestry, 2020  
 4. Data from Indonesia Furniture Industry & Handicraft Association (ASMINDO), 2020  
 5. VPA Impact Monitoring, presented on 9 February 2021

- The EU must also fulfil its commitment and obligations as one of the parties, which is to fully support and promote FLEGT licenced timber as stipulated in Article 13 of the FLEGT-VPA between EU and Indonesia.

#### List of signatories

- Kaoem Telapak
- Independent Forest Monitoring Network (JPIK)
- Independent Forest Monitoring Fund (IFM Fund)
- Indonesian Center for Environmental Law (ICEL)
- Jurnal Celebes
- Yayasan Kaharingan Institute
- GRID
- Jasoil
- Visi Muda Membangun Maluku (VM3)
- PADI
- Komunitas Masyarakat Desa - Sultra
- Deling Kuning
- Perkumpulan Alam Hijau (A-Hi)
- Uno Itam
- Pondok Hukum Rakyat

