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### **Press Release**

## EU and Indonesia launch shipment test for legal timber export

# EU and Indonesia launch the testing phase of Indonesia's new timber export procedures to the EU, signalling progress towards the implementation of the bilateral agreement on legal timber trade.

EU Ambassador to Indonesia Julian Wilson attended today (23/10) the launching event of the shipment test of the EU-Indonesia agreement on legal timber trade (FLEGT VPA) in Kendal, Central Java. Ambassador Wilson and senior officials of the Government of Indonesia witnessed the shipping of timber products from PT Kayu Lapis Indonesia verified in accordance with Indonesia's new timber legality scheme (SVLK). This test is one of the last steps before the application of the VPA, an agreement concluded in 2011 between the EU and Indonesia to combat illegal logging and support the trade legally verified timber products.

The results of the shipment test will contribute to ensure that the procedures agreed for legal timber licensing in Indonesia and the handling of licenses in the EU function and to identify improvement measures if needed. The test will be followed by an independent assessment to verify that the agreed scheme is operational, which will be the last operational step before the application of the agreement. In parallel, the EU is proceeding with its legal process, which should lead to the signature and the ratification of the VPA during the course of 2013.

Ambassador Wilson congratulated the Government of Indonesia for the progress towards the implementation of SVLK and added that "the VPA foresees that all Indonesian timber exports to the EU will have to be V-Legal to enter the EU market. Those exports will be automatically considered legal in the EU, making Indonesian products attractive and simple to handle for EU buyers. I am glad to observe that Indonesia's forestry sector is already benefiting from the reputation associated to the conclusion of the VPA".

Both the EU and Indonesia want to curb trade in illegal timber. Indonesia is making great efforts in this direction by rolling out the SVLK license system to ensure legality of the timber it exports. On the other hand, EU has adopted the EU Timber Regulation which is designed to address the demand side aspect of the issue of trade in illegal timber on the EU market. This comes into force in March next year and obliges EU operators, including importers, placing timber on the EU market to exercise due diligence to ensure that timber is sourced legally. In this regard SVLK, once fully operational under the VPA would make it very easy for EU importers to meet the requirements of the EU Timber Regulation and the EU Due Diligence Implementing Regulation. Even before the VPA goes live, SVLK gives Indonesia an advantage in contributing to the assurance of the legality of timber, not only to the EU market but also elsewhere, due to the work Indonesia has already done to establish and implement the SVLK.

The President of the European Commission, Jose Manuel Barroso, will visit Indonesia in November 2012. During the visit, there will be an event with the Ministry of Forestry to highlight the progress already made on the SVLK. It will also encourage other countries to follow the good model which Indonesia has created. Lastly, it will raise awareness of the efforts by Indonesia and the EU to secure and boost legal Indonesian timber exports to the EU.

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#### Note to the editor

#### FLEGT VPA

A key element of the FLEGT Action Plan is a voluntary scheme to ensure that only legally harvested timber is imported into the EU from countries agreeing to take part in this scheme. The internal EU legal framework for this scheme is a Regulation adopted in December 2005, and a 2008 Implementing Regulation, allowing for the control of the entry of timber to the EU from countries entering into bilateral FLEGT Voluntary Partnership Agreements (VPAs) with the EU. Once agreed, the VPAs include commitments and action from both parties to halt trade in illegal timber, notably with a license scheme to verify the legality of timber exported to the EU. The agreements also promote better enforcement of forest law and promote an inclusive approach involving civil society and the private sector.

Further details are available at <u>http://ec.europa.eu/environment/forests/flegt.htm</u> and on the EU-Indonesia VPA at: http://www.euflegt.efi.int/files/attachments/euflegt/briefing note indonesia en .pdf

#### EU Timber Regulation

Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market – also known as the (Illegal) Timber Regulation counters the trade in illegally harvested timber and timber products through three key obligations:

- 1. It prohibits the placing on the EU market for the first time of illegally harvested timber and products derived from such timber;
- 2. It requires EU traders who place timber products on the EU market for the first time to exercise 'due diligence';
- 3. Keep records of their suppliers and customers.

The Regulation covers a wide range of timber products listed in its Annex using EU Customs code nomenclature. The application of the Regulation will start from 3rd March 2013.

Further details at: http://ec.europa.eu/environment/forests/timber regulation.htm