



Forest governance in Indonesia and the road to FLEGT VPA

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The disappearing forests of Indonesia

(Sumatra & Kalimantan – Borneo - time series)

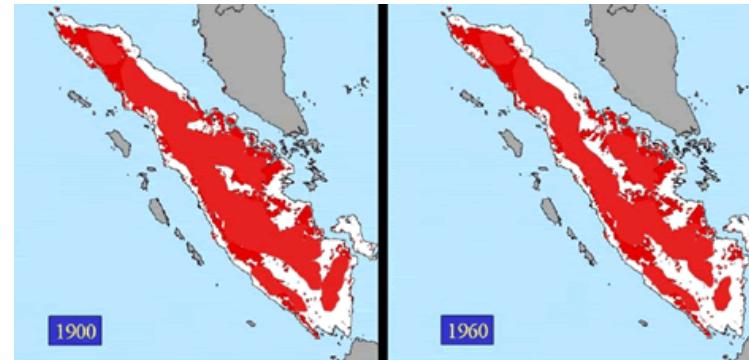
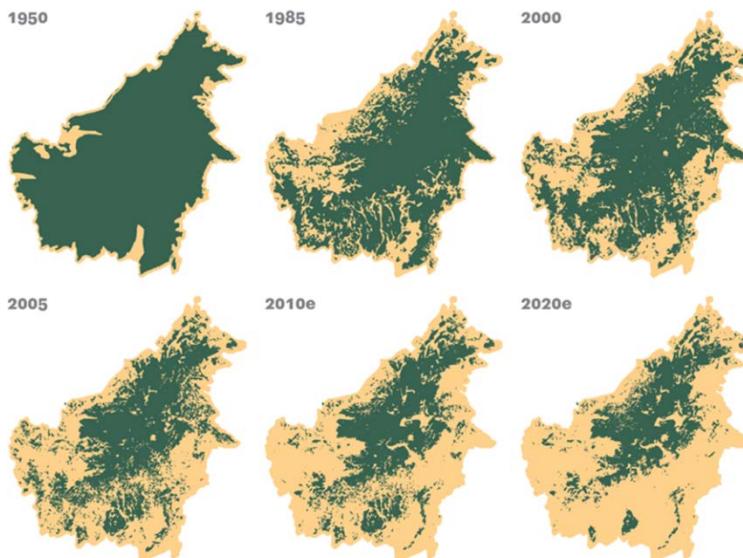


Figure 2

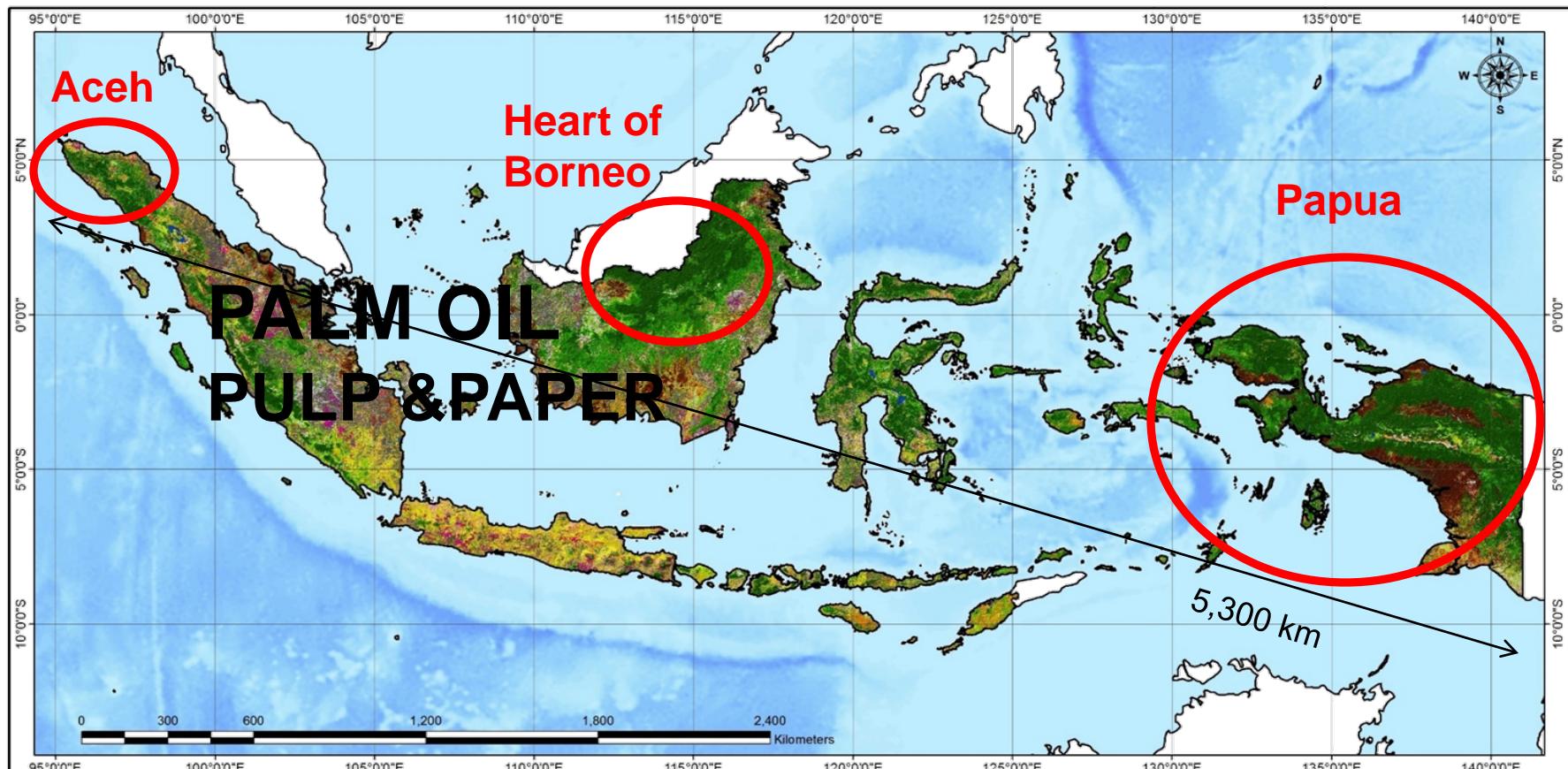
Deforestation in Borneo, 1950–2020



Forest land



The disappearing forests of Indonesia (land cover 2010)



Legend

Undisturbed forest	Undisturbed mangrove	Estate	Grass	Waterbody
Logged over forest-high density	Logged over mangrove	Estate on peat	Grass on peat	No data
Logged over forest-low density	Timber plantation	Shrub	Cleared land	
Undisturbed swamp forest	Timber plantation on peat	Shrub on peat	Cleared land on peat	
Logged over swamp forest	Agroforest	Cropland	Settlement	ICRAF Unpublished data
Undisturbed swamp forest on peat	Agroforest on peat	Cropland on peat	Settlement on peat	
Logged over swamp forest on peat				

National deforestation rate, about 6M ha/year

Year 2000 = 104 M ha

Year 2013 = 98 M ha

Year 2016 = 91.5 M ha



Indonesia's natural forests 2017

Ha	Land cover	% Indonesia area
39.2M	Undisturbed forest	20.4%
37.6M	Logged over / production forest	19.6%
1.5M	Undisturbed mangroves	0.8%
1.4M	Logged over mangroves	0.7
5.3M	Undisturbed swamp forest	2.8%
6.4M	Logged over swamp forest	3.3%
91,6M Ha	Total forest	47.7%
192M Ha	Total Indonesia area	



Some of the impacts....

- 261,000 hectares of forests + 2M Ha of peatland lost from fires in 2015 only
- CO2 and haze pollution. Strong impacts to human health + climate change
- Financial damage as high as \$47bn according to World Bank study (twice 2004 tsunami!)
- 17% of existing flora & fauna species threatened by uncontrolled, illegal exploitation
- Bleak picture but 2015 fires and preparation for COP21 → political decisions



Latest positive developments

- Presidential decrees
 - Logging moratorium extended
 - Peatlands moratorium & law (+ Peatlands Restoration Agency)
 - Moratorium on oil palm plantation expansion
 - Revival of One-Map policy
- Multi-stakeholder approach & more political space for Civil Society; including at province level
- Enhanced overall Donor coordination on CC and Forestry (with leading role for EU + EU MS) : informal but very active several sub-groups : Papua, Aceh, Law Enforcement, Energy, Palm Oil, etc.
- Final strategic move on FLEGT-VPA

FLEGT-VPA



World's 1st FLEGT licenses
November 2016



The (long) history of the Indonesia VPA ... in 'brief'

- 1993 : 1st sustainable timber verification initiated (eco-labelling)
- 1993-2000 several initiatives at international and country level
- 2001 : Bali declaration on FLEG (no 'T')
- 2002 – 2005 : EU-UK MoU to improve forest management and combat illegal logging
- 2003 : FLEGT Action Plan ('T' added)
- 2007 : Negotiations started – SVLK (TLAS) started to be developed
- 2011 : VPA agreed
- Sept. 2013 : VPA signed
- 2014 : VPA ratified & entered into force
- Oct. 2015: new trade regulation blocking the whole process
- April 2016: visit of President Jokowi to EU
- 15 Nov. 2016 : FLEGT licencing started! From 80% illegal wood in 2000 to 90% legal in 2016!

The Indonesia FLEGT VPA recipe for success

- **Enabling environment**
 - increasingly active civil society
 - complex and conflicting **legal framework** (positive problem)
 - consumer and NGO pressure for **legality standards**
- **Favourable political dynamics + support at highest level**
 - unique **socio-political features** (decentralisation, etc.)
- **Dynamic multi-stakeholder process**
 - free media & open press
 - strong, investigative civil society
 - engaged private sector on legality issues,
Incl. very big companies (Pulp&Paper, Plywood..)
 - A well consulted timber legality definition
- **An 'aware' domestic market**
 - strong support to smallholders/SMEs informal/weaker sector)
 - catalyst for bringing **smallholders** on board
 - **group certification**
- **Strong EU-UK coordination and complementarity**



The Indonesia FLEGT VPA recipe for success continued ...

- **A well developed stakeholder mapping**
 - Differing aspirations affect how stakeholders view a potential VPA
- **Visible progress on corruption (positive feedback)**
 - **supply chain transparency** led to substantive reductions
- **Timely SVLK – EUTR complementarity**
 - SVLK regulation and EUTR entry into force added impetus to the process
 - clear template for managing legality licence flow (SILK)
- **Legality assurance as a 'living system'**
 - Joint assessment
 - Well-developed platforms (JWG, JEM, JIC, national workshops/public consultations...)
- **Joint communication**
- **Strong support from EFI FLEGT Facility**
- **People & resilience (CoA negative report 2015)**



Challenges for Indonesia SVLK/ FLEGT-VPA

Integrity of VPA



- Continuous roll-out of national TLAS (SVLK)
- Continuation of Multi-stakeholder process to maintain SVLK credibility
- Keep track (document) non-compliances and follow-up including through law enforcement actions
- Ensure effectiveness & sustainability of the Independent Monitoring function (funding issue!)
- Periodic Evaluation, VPA impact monitoring and Independent Market Monitoring (as part of the system)
- EUTR implementation to be consistent, and to be improved to bring added-value and credibility to VPA (strong Indonesian demand!)

FLEGT in South East Asia (ASEAN)

- Indonesia leading example in SEA
- ASEAN countries renewed interest (Vietnam, etc.)
- New ASEAN strategy on timber legality
- ASEAN +3 (Japan, China, Korea), +India? To be associated
- Regional programme being developed beyond existing facilities:
 - Develop synergies between ASEAN policies & FLEGT Action Plan
 - Support implementation of 2016-25 ASEAN FLEG work plan
 - Increased coherence & integration with forest conversion and REDD+
 - EU-China Bilateral Coordination Mechanism (BCM) on (FLEG)
- FLEGT-VPA → helped opening EU-Indonesia dialogue on sustainable palm oil ...challenge; also Free Trade Negotiations.
- Clarity from HQ very welcome for DEVCO Colleagues continuing working on FLEGT in some SEA Delegations



Thank you

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