

European Sustainable Tropical Timber Coalition
Arthur van Schendelstraat 500
Utrecht, The Netherlands

Embassy of Indonesia and Mission of Indonesia to the EU
Commercial Trade Attache
Attn: Ibu Merry Astrid Indriasari
Boulevard de la Woluwe 38
1200, Brussels, Belgium

Regarding: Ministry of Trade regulation No. 15/2020

Utrecht, April 17, 2020

Dear Ibu Merry Astrid Indriasari,

Regarding the recent news concerning Provisions on the Export of Forestry Industry Products, which removes the provisions of the Timber Legality Assurance System (TLAS) or *Sistem Verifikasi Legalitas Kayu (SVLK)* for parties that do not export to countries requiring this, the European Sustainable Tropical Timber Coalition (STTC)*, convened by IDH, The Sustainable Trade Initiative, and supported by the Association Technique Internationale des Bois Tropicaux (ATIBT), FSC, PEFC & the European Timber Trade Federation, wishes to express its concern. We would appreciate it if you relay our concern to your government.

FLEGT is an important tool in increasing the amount of forests under Sustainable Forest Management, which in turn supports improved livelihoods, increased biodiversity and of course reduces deforestation and degradation. Indonesia has been a pioneer in the FLEGT/ VPA process. It has not been an easy road, but SVLK is a great system and an important step. A verification of legality – and SVLK does much more than that – is key. The VPA process has created a level playing field, strengthened many institutions and provided a clear path towards sustainability. This is no mean feat, and we commend your tenacity in this process.

The beauty of the VPA agreement is that it means a level playing field for all timber producers in Indonesia. This measure has the potential to singlehandedly destroy the reputation of FLEGT and all the current VPA processes; as well as Indonesia's reputation as a frontrunner. Many VPA countries look to Indonesia as an example; there are an impressive amount of relevant lessons learned.

Besides the sustainability aspect, we have seen an increase in exports to the EU of EUTR regulated products from Indonesia from 685 million Euro in 2013 to 1,032 million euro in 2019 (mainly furniture and paper). European buyers need certainty that what they are buying, is legal. SVLK gave Europe (and others) that certainty. Indonesian timber is the only timber that has a green lane. While sales might have increased more slowly than hoped, they are on the rise.

The new measures are proposed because achieving SVLK certification can cause a bureaucratic impediment to SME's, particularly in the furniture sector. This is a challenge that we recognize, however there are many small companies already SVLK certified, clearly showing that this is possible. The STTC believes that by reducing stringency of SVLK, and by removing it entirely for those who do not export, the Indonesian tropical timber sector will be negatively impacted economically.

We therefore respectfully implore the Indonesian Trade Ministry to reconsider the proposed measures. A solution would be to specifically look into the SME's that are facing difficulties and provide additional support to that target group. We would also like to ask for clarification regarding the trade to Europe; as it is unclear to stakeholders what this would mean.

Kind regards,

On behalf of the European STTC,

Nienke Sleurink



*The European [STTC](#) was launched in 2013 with the objective of increasing European demand for verified sustainable tropical timber; with the ultimate goal of incentivizing sustainable forest management in tropical countries. Concretely, the objective was to achieve 50% sustainable tropical timber on the European market by 2020; the figure for 2018 was 28.5%, according to our last [monitoring report](#).