



## **Expert Dialogue between Lao PDR and Indonesia on the Indonesian Timber Legality Assurance System (TLAS / SVLK)**

23 - 27 October 2023, Jakarta and Surabaya

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## Key takeaways

- Developing a Timber Legality Assurance System from conception to licencing is a long process, with many steps to be undertaken. Commitment to bring the process to conclusion needs to be built amongst all stakeholders.
- It must be a multistakeholder process that actively engages all relevant stakeholder groups from the very beginning. A broad range of government, industry associations and civil society groups must all have a role and a voice, at every step, to ensure consensus, national acceptance of the system and international credibility.
- Regulations need to be adopted at the highest level to facilitate effective coordination amongst all relevant ministries and agencies.
- Implementation of the SVLK took off once the government announced that it is mandatory for timber operators in Indonesia. Additionally, operators need to be convinced on the benefits of SVLK for their day-to-day operation, for example reducing the costs and time for paperwork required to export and import timber.
- The international market for licensed legal timber (e.g. FLEGT or V-legal from Indonesia) is usually insufficient to cover all of a country's timber export needs, therefore the government should make provisions for creating a domestic market, such as through a public procurement policy.
- There will inevitably be costs involved for all actors (e.g. licensing, certification, monitoring). To ease the burden, especially for smallholders and small enterprises, the government should consider implementing assistance measures such as grants, tax allowances and other financial incentives. It must also ensure the benefits (e.g. higher pricing, increased market access) outweigh the aforementioned costs.
- Smallholders working with planted timber on their registered private land were empowered to be part of the SVLK through simplified Supplier's Declaration

of Conformity (SDoC) to attest the legal source of their timber. The SDoC also increased financial return for the smallholders by reducing the need for middlemen.

- The roles of assessment bodies and independent monitors are crucial to ensuring the system is transparent and earns the trust of international markets. The activities of these groups should have a strong legal basis.
- A key lesson for Lao PDR was that the duties to verify the legality of timber as well as to issue the FLEGT Licences or V-Legal Documents could be performed by the Conformity Assessment Bodies (CABs) which are private entities accredited by the National Accreditation Council. These roles are supposed to be performed by provincial level government offices in Lao PDR.
- With regards to independent monitoring by civil society, Indonesian CSOs mentioned that they typically face challenges including limited resources, resistance from operators and data access difficulties. Nonetheless, they continued to carry out their duties as stipulated in the VPA and national regulations. The private sector associations also recognised the importance of independent monitoring by CSOs as a means to provide credibility to the SVLK.
- Another key observation for Lao participants was the close collaboration between the government agencies, private sectors and CSOs demonstrated through the unified statement on the importance of SVLK for the reputation of Indonesian timber sector. Participants also observed the fact that private sector associations have representatives and their offices located within the ministry.
- The lessons learned from the Indonesian experience were positively received by the Lao delegation, and will be drawn upon to strengthen the ongoing process to develop and implement the TLAS in Lao PDR.

## Day 1 – Monday 23 October 2023

### Session 1: Overview of SVLK and relevance for the Lao context

The Lao delegation was given an overview of Indonesia's Timber Legality Assurance System, known as Sistem Verifikasi Legalitas Kayu, or SVLK. The system was intended to address global concerns on the legality of timber from Indonesia, and it was noted that SVLK has led to a dramatic decline in cases of illegal logging in the country.

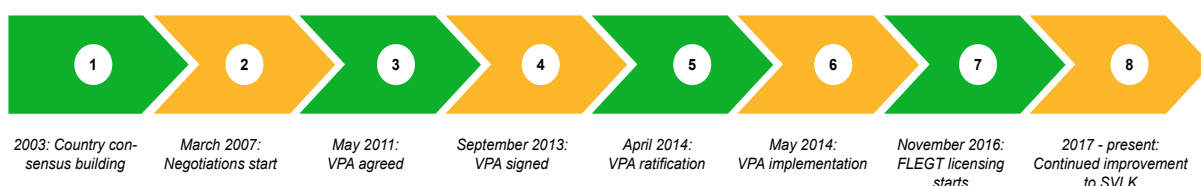
“SVLK, the Indonesian timber legality assurance system, has been key in encouraging better governance in the forestry sector, taking requirements developed by market countries into account,” Director General of Sustainable Forest Management at the Ministry, Dr Agus Justianto, told the Lao Delegates.

Dr. Justianto said that SVLK has changed the image of Indonesia's forestry sector and boosted the sector's performance. According to him, SVLK has helped Indonesia control illegal logging, which was a threat to the forestry sector in the early 2000s. SVLK contributed to a reduction in deforestation by more than 75 percent in the past three years.

SVLK was developed through a multistakeholder process where government, civil society and private associations each have an important role. The importance of multistakeholder participation in the process of developing a timber legality assurance system was continually highlighted by the Indonesian side.

Today, more than 5,000 operators in Indonesia are SVLK certified, compared to around 1,000 in 2013. The Government of Indonesia is now focusing on providing support to assist smallholders in complying with SVLK.

#### FLEGT VPA timeline in Indonesia



#### Key stakeholders in SVLK

- Government of Indonesia
  - LEAD: Ministry of Environment and Forestry
  - Other Ministries: Ministry of Trade, Ministry of Finance, Ministry of Foreign Affairs
- European Commission / EU Delegation
- EFI
- Private Sector Associations
- Civil Society Organisations (CSOs)
- Development Partners (e.g. UK)

#### Five elements of SVLK

- Five legality standards
- Supply chain control - to ensure unverified timber cannot enter the supply chain
- Verification of legal compliance
  - Independent Conformity Assessment Bodies (CAB)
  - Government verification
- FLEGT licensing
- Periodic evaluation - audit of the TLAS by an independent third party

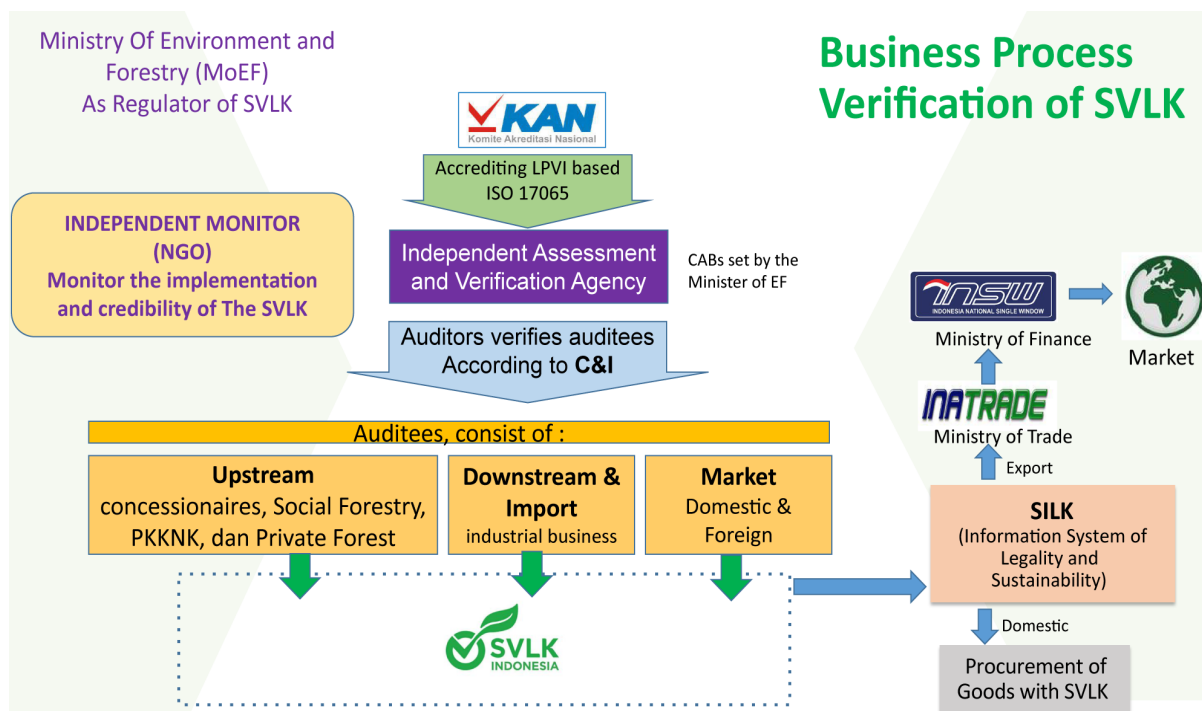
## Session 2: Meeting with Ministry of Environment and Forestry (KLHK) and representatives from other related ministries

During this session, the Indonesian Ministry of Environment and Forestry provided the Lao delegation with a detailed introduction to SVLK and its role as the foundation for timber legality and sustainability in the country, including the approach and concept of TLAS, outsourced verification, licensing and online information systems which might differ from the Lao context.

The Ministry noted that it took more than 10 years to develop the SVLK and information management systems, but the long process ultimately resulted in improved governance and rebuilding the reputation of Indonesia as a source of legal timber and timber products. It also noted that TLAS regulations should be adopted at the highest level possible, to ensure coordination of its implementation with all relevant ministries, such as through an inter-ministerial decree.

As Lao PDR is in the process to develop an Implementation Decree for its TLAS, a key lesson here would be for Lao Delegates to consider the highest level possible for the Lao TLAS Implementation Decree to be developed. For example, the Lao TLAS Implementation Decree should have an equivalency of a Prime Minister Order. Experiences with previous Prime Minister Orders, such as Order 15, indicated efficiency of regulation at this level.

### Business Process Verification of SVLK



Another lesson shared by Indonesia was the importance of ensuring a wide, comprehensive representation in the multistakeholder processes to ensure that broad consensus is established amongst the stakeholder groups, so that the final system will be accepted. Related to information management systems, Indonesia highlighted the importance of coordination of data connectivity between relevant ministries.

Challenges noted by Indonesia for the Lao delegation to consider included administrative challenges of legality verification, and building trust with consumers in the EU, UK and other markets. Once again, engagement of all stakeholders in the SVLK implementation process, through official means such as by having representatives of non-government stakeholders at the bilateral meetings with the EU (JEM and JIC), technical working group meetings on key issues, and day-to-day interactions, was noted as a crucial element to build market trust and acceptance. Official communications as well as through social media applications such as Whatsapp have strengthened the interactions and coordination amongst the stakeholder groups.

The Lao delegation was advised to ensure consultation across ministries to clarify the roles and responsibilities for the different aspects of the TLAS and its management system, while also using the network of non-government stakeholders to understand the realities on the ground.

Across government ministries, Indonesia mentioned the need to ensure consistent and frequent information exchanges amongst ministries involved in the forestry sector. Regular exchanges between the government agencies and private sector associations through technical working group meetings or through bilateral meetings that included the EU such as JEM and JIC where these non-government representatives are given space to report on their activities and challenges were also highlighted as contributing to the success of the SVLK implementation.

The Director General of the Department of Forest Inspection in Lao PDR remarked that “Lao PDR has started to develop its TLAS since 2015 through the engagement in the FLEGT VPA process with the EU. Lao PDR appreciated the lessons on the development and implementation of the SVLK and will reflect on these lessons in the journey to finalise the development of the Lao TLAS and preparation for its implementation”.

### Session 3: Shared learning from the Licensing Information Unit

This session focused on SVLK's centralised online information system called *Sistem Informasi Legalitas Kelestarian (SILK)*, which is overseen by the Licensing Information Unit (LIU) tasked with managing information relevant to verification of timber legality and issuance of proof of legality, including for exports to VPA and non-VPA countries. The information shared was intended to guide Lao PDR in its development of a national information system.



*Discussion on the operationalisation of the Licensing Information Unit (Source: EFI)*

SILK, which was launched in 2013, is an online platform for Conformity Assessment Bodies and Licensing Authorities to issue legality assurance documents for timber exports (FLEGT licenses and V-Legal documents). The platform also allows importers to carry out due diligence on imported timber products, and provides information on importers, exporters and or producers to enable tracking back the origins if necessary. It is connected to other national systems such as INATRADE (Ministry of Trade) and INSW (DG of Customs, Ministry of Finance) to enable swift processing of exports documents. The LIU continues to improve and upgrade the integration with other existing systems to support traceability and national data monitoring and analysis.

One limitation of SILK noted by the Indonesian side was that it only covers timber products and no other commodities – something which could be considered in the context of new market demands, for example in the context of the new EU Regulation on Deforestation-free Products.

The Deputy Director General of the Department of Forest Inspection in Lao PDR remarked that “There are many lessons to be learnt from LIU with regards to the functionalities of different systems that are connected to enable LIU to perform its daily functions. Lao PDR appreciated the lessons shared by LIU and will reflect on these insights as Lao PDR is at the beginning phase to start developing the IT systems for the Lao TLAS”.



## Session 4: Meeting with Indonesian private sector associations and operators

The following private sector associations met with the Lao delegation to share their perspectives and lessons learned in implementing SVLK, particularly in regard to legality and sustainability compliance by the private sector:

- Association of Indonesian Forest Concessionaires
- Indonesian Wood Panel Association
- Indonesian Pulp and Paper Association
- Indonesia Furniture Association

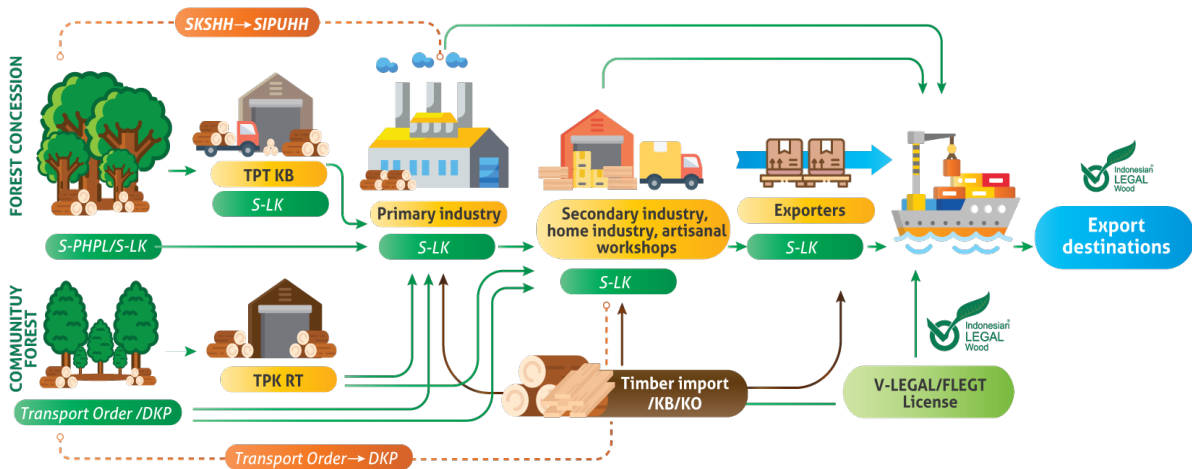


*Exchanging lessons with private sector associations (Source: EFI)*

Echoing the advice of the government, the association members highlighted the importance of the multistakeholder approach, noting that it took several years for the government and private sector to begin working together constructively on SVLK. It was not until SVLK was made a mandatory requirement for all operators, and operators began to see benefits from SVLK-certified timber, that this coordination improved.

Despite the costs associated with SVLK certification, the associations considered that the benefits outweigh the costs, particularly due to policy incentives and support from the government for smallholders and SMEs. Benefits noted included a level playing field, reduced operational costs, increased income, improved forest governance and a more positive reputation of Indonesian timber internationally. One role of the associations is to raise awareness amongst their members on the requirements, and benefits, of SVLK.

## Operationalisation of SVLK from Upstream to Downstream (Source: Association of Indonesian Forest Concessionaires)



### Keterangan:

- SVLK : Sistem Verifikasi Legalitas dan Kelestarian
- SLK : Sertifikasi Legalitas Kayu
- SPHPL : Sertifikasi Pengelolaan Hutan Produksi Lestari
- DKP : Deklarasi Kesesuaian Pemasok



The association members criticized the lack of EU effort to promote FLEGT-licensed timber and timber products in the EU markets. In contrast, the Government of Indonesia promotes the use of SVLK-certified timber in the domestic market through its public procurement policy.

Lessons learned by the associations during SVLK implementation were shared to inform the Lao process:

- SVLK is a good way to meet the global requirements on sustainability and deforestation-free production.
- SVLK is an important instrument for strengthening cooperation between producing and importing countries, to develop a common understanding of international issues.
- SVLK needs to be mandatory for all operators, with targeted supports to smallholders, to achieve its intended benefits.
- Consumer markets need to do more to promote the FLEGT licensed timber and timber products, thus recognising the efforts by producer countries.

## Day 2 – Tuesday 24 October 2023

### Session 5: Understanding the role of Conformity Assessment Bodies (CABs)

Conformity Assessment Bodies (CABs) are involved in SVLK legality and sustainability certification, surveillance and verification procedures; as well as issuing FLEGT licences and V-Legal documents, and in due diligence on imported timber and timber products. CABs perform roles as auditors, independent from the government but accredited by the National Accreditation Council, which reviews their performance.

CABs assess sustainable forest management of different types of companies, and verify the legality of forest products from different types of forest concessions, granting certification when certain criteria set out in national standards are met.

#### Sustainable Forest Management & Legality Assessment

Type of Certification	Type of Auditee	Category	Certificate Validity Period (Years)	Surveillance Period (Month)
SFM Certification	Concession Holders	Good Predicate	6	24
		Moderate Predicate	6	18
	Fores Management Rights	Good Predicate	6	24
		Moderate Predicate	6	18
Legality Certification <small>Must comply with all verifiers in standards base on assessment results</small>	Concession Holders		3	12
	Fores Management Rights		3	12
	Community Forestry		6	24
	Private Forest	Grow Naturally	6	12
		Cultivation	9	36
	Wood Utilization Permit		1	6

To issue FLEGT licences or V-Legal documents for export, CABs verify the following:

#### Key Aspects for CAB Verification

##### Wood Transport Document

Make sure the incoming material accompany with a valid transport document

##### Certified Supplier

Make sure the incoming material comes from valid certified supplier

##### Material, Stock and Product Balance Report

Do the cross check of incoming material stated in the report with the transport document and check the reasonable amount of yield product



##### Invoice, packing list, photo product and CITES\*

Make sure the information inputted by the exporter match with the attached document

##### Product Conformity

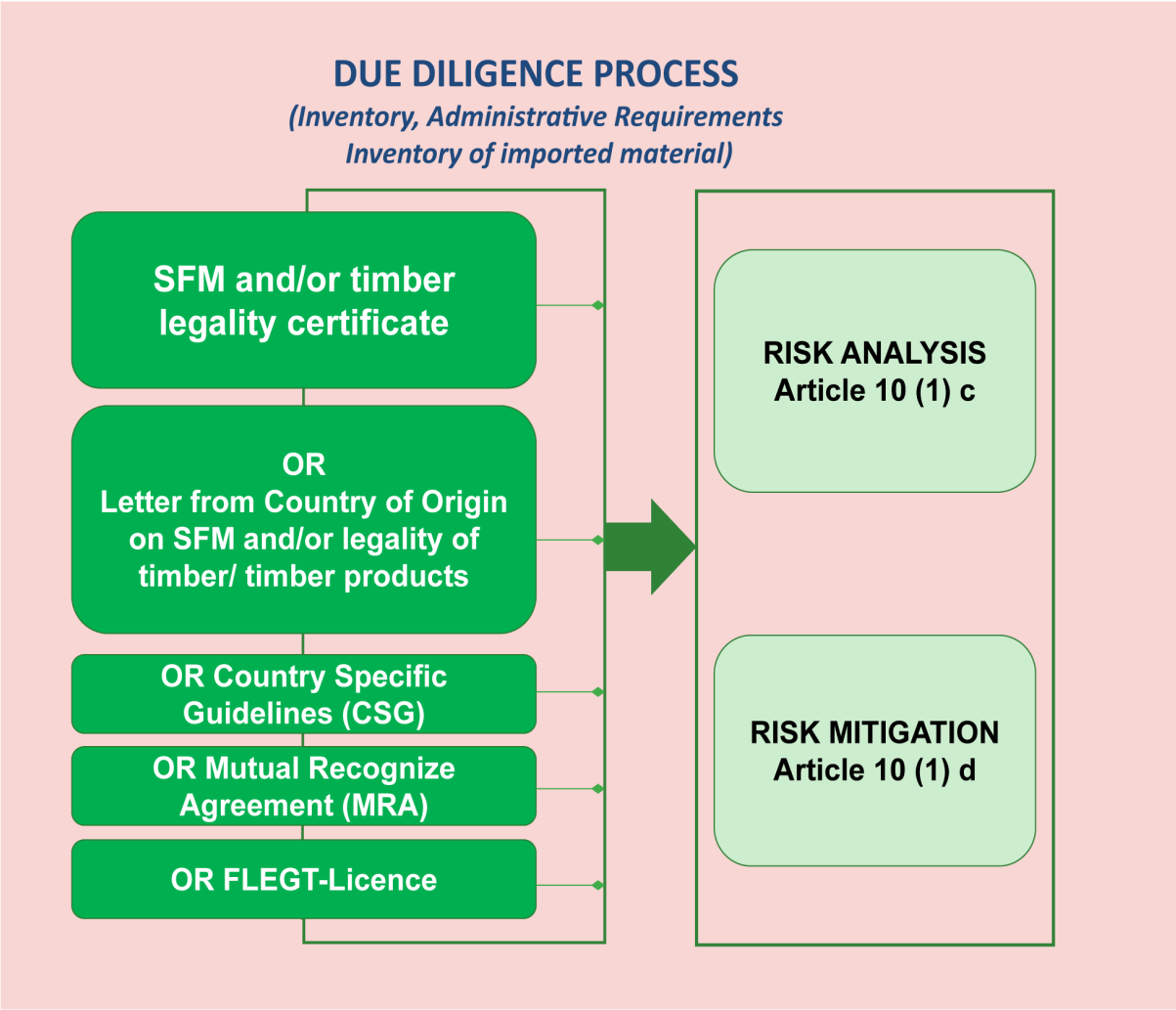
Make sure the exported product matches with certification scope and uses the right HS code

##### Stock Adequacy

Make sure the exporter have a sufficient stok of product to be exported

For timber imports, CABs check the due diligence statement of the operator during auditing to verify the importer can provide the wood comes from a legal source.

### Due Diligence Process



From the Lao standpoint, it was noted that the Provincial Office for Forestry Inspection (POFI) has comparable functions to CABs, while the Department of Forest Inspection (DOFI) is comparable to the National Accreditation Council.

## Session 6: Meeting with civil society organisation (CSOs) on independent monitoring

This meeting outlined the legal basis of independent monitoring of forestry operations in Indonesia and the role of CSOs as independent monitors. Several CSOs shared lessons-learned from their work monitoring the implementation of SVLK to ensure the credibility of the system, particularly for international markets, to help guide Lao PDR when considering the role of independent monitoring in its system.

The independent monitoring function of CSOs provides an avenue for civil society to play a role in forest governance, acting as a 'check and balance' to maintain the integrity of SVLK. Their main duty is to investigate and report suspected non-compliance to the authorities; this typically starts when a complaint is made. Independent monitors also examine the overall effectiveness of the SVLK; and the effectiveness, transparency and functions of CABs and all involved to ensure all the components of the SVLK function as expected.

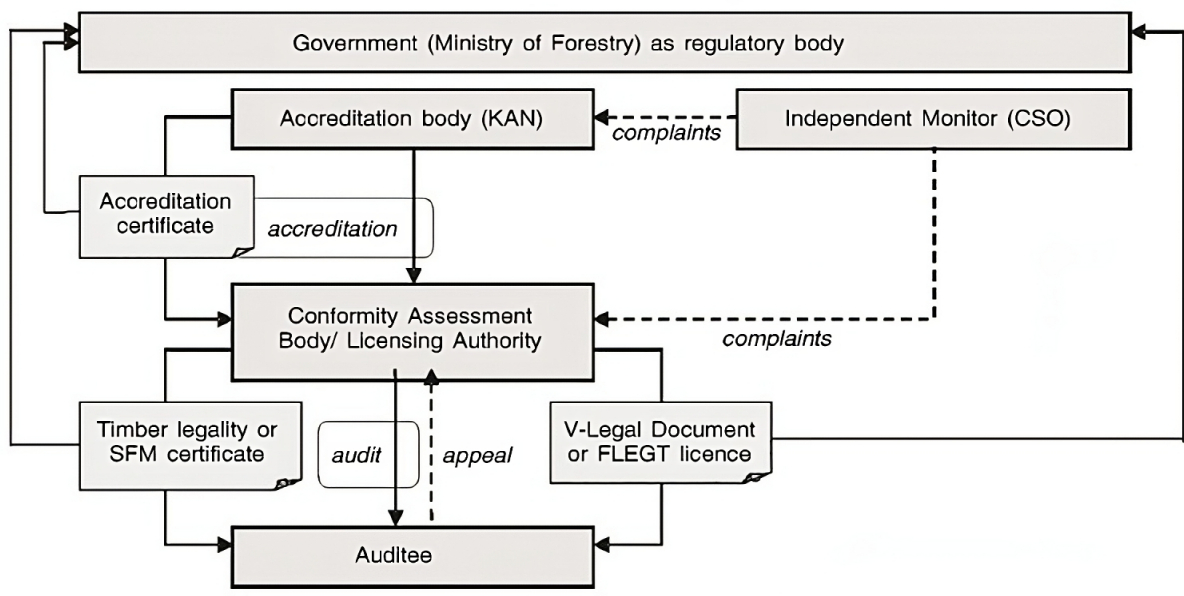


*Technical Officer from Department of Forest Inspection raising questions on the roles of independent monitors in Indonesia (Source: EFI)*

Independent monitoring has a formal role in the timber legality system; in fact, CSOs register as independent monitors with the Ministry of Environment and Forestry. This provides a legal basis for the independent monitoring.

An Independent Forest Monitoring Fund (IFM Fund) was set up in 2017 as mechanism to support the grassroots IFM activities in Indonesia, as a sustainable funding tool.

## Government (Ministry of Forestry) as regulatory body



Challenges facing independent monitoring highlighted by CSOs included:

- Limited manpower
- Safety and security
- Funding
- Access to data/information
- Resistance from operators

Chair of the CSO Lao FLEGT Network remarked on the significant roles played by CSOs in Indonesia SVLK and took note of the necessary legal condition that allowed for their functions. She also stated that the challenges shared by Indonesia CSOs resonated well with the situation in Lao PDR.

Bob Purba, Executive Director of Forest Watch Indonesia (FWI), further emphasised the important role of NGOs as independent SVLK monitors. “NGOs carry out monitoring functions to maintain the integrity of the SVLK,” he said. To be able to take on the role of an independent SVLK monitor, an NGO must be registered with the Ministry of Environment and Forestry. According to Bob, the NGOs that carry out SVLK monitoring formed the Independent Forestry Monitoring Network (JPIK) in

2010. Initially, there were 29 NGO involved, now JPIK consists of 66 NGOs and 548 individuals spread across 25 provinces.

Bob explained that independent monitoring NGOs will report to the Ministry of Environment and Forestry as the regulator if they find suspected cases of non-compliance by SVLK certificate holders. The report submitted will be followed up with the revocation of the certificate if the inspection results show that a violation has occurred. As a consequence, the former certificate holder is banned from trade in verified legal supply chains.



*Chair of the Lao CSO FLEGT Network reflecting on the lessons shared by Independent Monitors (Source: EFI)*

## Day 3 – Wednesday 25 October 2023

### Session 7: Learning from East Java provincial forestry officials and Forest Products Utilization Implementation Unit



Lao Director and Deputy Director General of the Department of Forest Inspection, Deputy Director for Forest Product Certification and Marketing Promotion of Indonesia, and Head of Forest Services of East Java Province (Source: EFI)

The Lao delegation travelled to Surabaya, East Java province, to learn about the role of local governments in SVLK implementation and the provincial-level incentives and support for tree growers and SMEs to help them comply with SVLK.

Indonesian officials informed that the role of local governments is to support and maintain the capacity of cooperatives, farmers and industries, so they are readied to be certified by the CABs. Local governments also play a crucial role in socialisation of SVLK, coaching and facilitation of support to local communities.

The Provincial Forestry Office also presented its 'SICANTIK-HUT' information system, an integrated provincial forestry data system that supports real-time monitoring and verification of legality under SVLK which was piloted in 2022. When fully developed, the system will serve as an integrated electronic forest products database.



## Days 4 & 5 – Thursday 26 & Friday 27 October 2023

### PROGRAMME FOR SITE VISITS

#### Thursday 26 October

- Visit community forest
- Visit PT Wijaya Cahaya Timber: processing mill that buys from the community
- Visit PT Berdikari Furniture Industry: furniture factory exporting mainly to Germany
- Visit CV Mitra Interior: Small veneer and moulding factory

#### Friday 27 October

- Visit PT INTEGRA Indonesia: large-scale timber factory to observe the use of bar codes for timber tracking throughout the supply chain



Visit PT Berdikari Furniture Industry, East Java (Source: EFI)

### Highlights from the community forest visit

The Lao delegation learned how wood is harvested, documented and transported along the supply chain to the mill using a ‘Supplier’s Declaration of Conformity’ or DKP, for proof of legality. It was explained that the Ministry of Environment and Forestry introduced DKP in 2014 for low-risk timber harvested from smallholder or community forests to allow them to cut and sell or use their own trees. Since then, planted timber under DKP has been a significant and growing source of raw material for furniture, handicraft and plywood-barecore production in Indonesia.

President of Lao Furniture Association Thongdam Syhamaya said this visit was very beneficial for the continuation of the furniture industry in Lao PDR. “This is a very good opportunity to visit Indonesia so that we can share information for the improvement of the timber legality assurance system in Lao PDR,” he said.

Syhamaya sees that Indonesia's SVLK implementation is very strong with many stages and checks and balances, and that it is very well structured. He also noted that multi-stakeholder involvement strengthens Indonesia's SVLK. Syhamaya stated that the Laotian government is committed to ensuring that all wood used comes from legal sources based on regulations that have been made by the government. He continued that the Lao government is encouraging the growth of domestic processing industries by prohibiting the export of raw materials. "100 percent of raw materials must be processed domestically, prior to export" said Syhamaya. He noted that the same rule applies in Indonesia.



*Indonesia FLEGT Facilitator provided an overview on the use of Supplier Declaration of Conformity as proof of legality for planted timber on private land of farmers (Source: EFI)*

## Highlights from visits to private industry

- The majority of SVLK non-compliance cases found during auditing are related to occupational health and safety issues. These can be addressed before the SVLK certificate is issued.
- In addition to FLEGT licences, companies often receive other certifications such as Forest Stewardship Council (FSC), Construction Services Permit (Surat Ijin Usaha Jasa Konstruksi, or SIUJK), Registration Number for Importer (Angka Pengenal Import or API) or Registered Exporters of Products of Forestry Industry (Eksportir Terdaftar Produk Industri Kehutanan, or ETPIK). Some of these are necessary for conducting business or exporting products.
- The ease of exporting to the EU and other markets with FLEGT licences was noted by the companies.



Exchanges with PT Integra on the use of barcode for tracing timber throughout the supply chain (Source: EFI)

- Barcodes are one method for large companies to track raw materials. One company visited (PT Integra) is also transitioning to using Radio Frequency Identification (RFID) to increase tracking efficiency and accuracy. The Lao delegation found the barcode system potentially useful for controlling input and output at its mills.
- The private sector highlighted the importance of independent monitoring by civil society as a means to provide credibility to SVLK in international markets, and to build trust between different stakeholder groups within Indonesia.

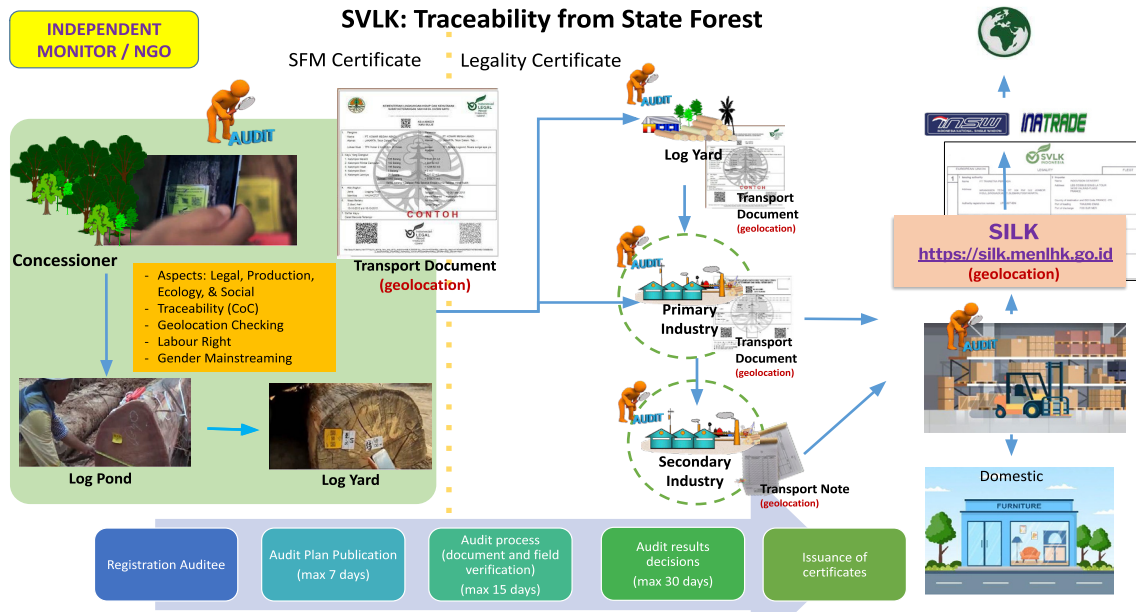


GIZ ProFEB Team Leader and Deputy Director General of Forest Inspection reading the tag documenting the legality of timber (Source: EFI)

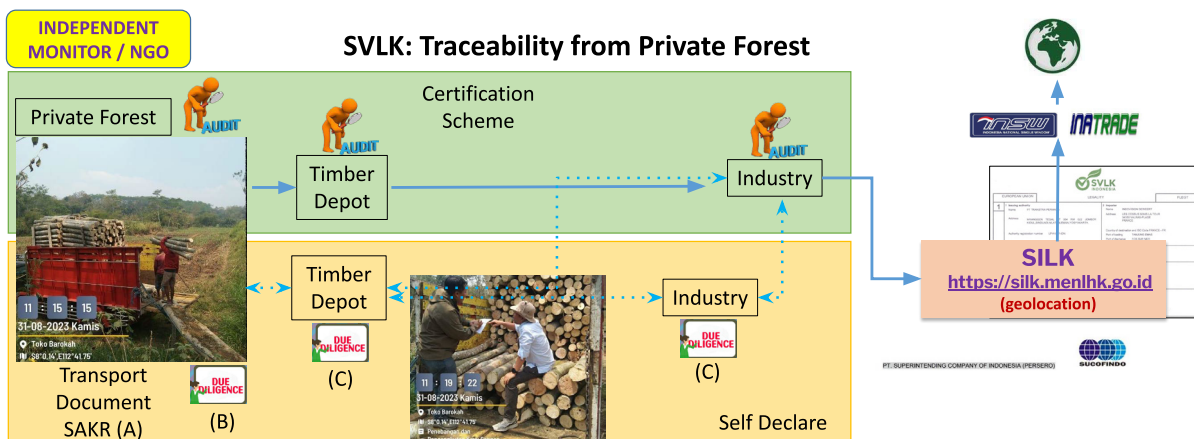
## General reflections and observations of the Lao delegation

The Lao delegation noted that Information Management System for the TLAS (IMS) is much more advanced for timber management in Indonesia, therefore Lao PDR would benefit from having a similar IMS to control and manage its timber sources internally and for export. IMS also plays an important role in facilitating SVLK imple-

### SVLK: Traceability from State Forest



### SVLK: Traceability from Private Forest



- Ministry Regulation Number 8/21 Article 288, SAKR applies as SDoC/Self-Declare
- Low Illegal Risk (outside forest areas and different types of natural forest wood)
- ISO 17050:2004
- Executive Summary PE-1 by Sucofindo & PE-3 by Profundo

#### Profundo Third Periodic Evaluation of the Indonesia-EU VPA/FLEGT

##### Executive summary

2.2.4 Small and Medium-sized Enterprises (SMEs)

Two of the main problems SMEs face when seeking to adopt SVLK are business certificates and tax registration. Another challenge is the cost associated with SVLK certification and surveillance. To address these challenges, MoEF relies on DKP (Self Declaration of Conformity) for SMEs handling low risk planted timber. DKP implementation is functioning well overall, but continued outreach and socialisation to improve the operators' consistency are required. To address the issues of SVLK costs, MoEF provides subsidies which are explained in P21/2020. Under this regulation, MoEF subsidises both SVLK certification and the issuance of a V-Legal/FLEGT license for SME exporters. Continuing capacity building on DKP and subsidising both SVLK certification and export licensing capacity are considered by PE3 as effective measures to support SMEs.

#### First Annual Overview of the TLAS Operationality in Indonesia

Implementation Report  
Periodic Evaluation FLEGT VPA – Indonesia  
European Union

##### Evaluation results

##### Supply chain control

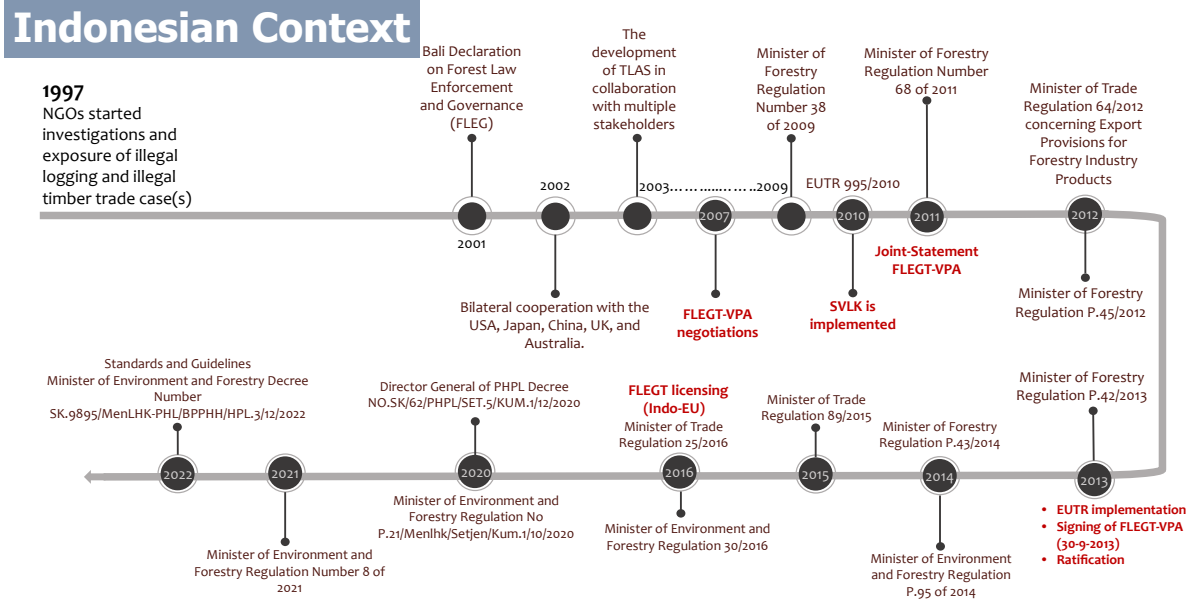
A baseline requirement under the Indonesia-EU VPA is that the supply chains from the natural forests and industrial plantations are fully SVLK certified, whereas timber from private plantations may either be SVLK certified or equipped with Suppliers Declaration of Conformity (SDoC or DKP in Bahasa Indonesia). The legality of imported timber must be assessed through a due diligence process. There should also be mechanisms in place to prevent illegal timber from entering the supply chain.

mentation, so the Lao TLAS should be linked to existing systems as in Indonesia. Due diligence for imported timber is still in the early stages in Lao PDR, so the country could learn much from Indonesia’s experience in this area. Similar to Lao PDR, imported timber made up a small percentage of the overall supply of timber in Indonesia. Based on experiences from Indonesia, due diligence for imported timber in Lao PDR should consider the following aspects:

- Due diligence assessment should cover all imported timber products (same product scope as in the VPA).
- Due diligence assessment specifies the requirement of the proof of legality from the country of harvest for logs and other primary timber products.
- Guideline should be developed for Lao competent authorities and operators on how to conduct risk assessment and mitigation.
- Template and Guidance on how to complete a Due Diligence Statement should be provided to operators.

In Lao PDR, independent monitoring by CSOs is not detailed or guaranteed in regulations like it is in Indonesia. The role of CSOs in the Lao TLAS could be considered based on the lessons learned from Indonesia in this respect. A key lesson from Indonesia for Lao PDR to consider was the legal recognition of the roles of CSOs

**Indonesian Context**



as independent monitors of the SVLK implementation. The extent to which the roles of CSOs in the implementation of the Lao TLAS could be legally recognised would require further discussions and deliberations amongst the Lao stakeholders. Additionally, CSOs in Lao PDR primarily focus on rural development and therefore do not have the extensive knowledge of the forestry sector necessary for independent monitoring, therefore further capacity building would be needed.

The Lao delegation highlighted the usefulness of lessons from Indonesia on how to facilitate support for SMEs to comply with TLAS, particularly those that are working with planted timber on their registered private lands.

SVLK in Indonesia includes both legality and sustainability, while the Lao TLAS mainly focuses on legality at this stage. Moving forward, Lao PDR could consider adding sustainability criteria to the TLAS in order to meet the requirements of the EU and other key markets, specifically those that are important for Lao export such as China and Viet Nam.

The taxing system in Indonesia is seen to support timber-product businesses, with no export taxes on finished wood products. In Lao PDR, on the other hand, export taxes are seen as a burden to the industry. Indeed, it was noted that support to the private sector in Indonesia to implement SVLK is quite strong, particularly to enable compliance by smallholders, reduce corruption and facilitate trade.

There is a clear understanding of international market requirements in Indonesia, while this is not yet the case within the private sector in Lao PDR. This reflected the reality of the significance of timber trade (total value) and the long-standing timber sector in Indonesia compared to Lao PDR. Furthermore, the importance of international recognition of the SVLK credibility remains at the core for timber operators in Indonesia, propelling their continued engagement in the implementation and improvement of the system to meet the changing market regulations and consumer demands.

Overall, as remarked by the Director General of Department of Forest Inspection, Lao Delegation appreciated the lessons that were shared by Indonesian national and provincial governments, private sector and civil society representatives with regard to the SVLK journey, achievements and challenges. Lao PDR took note of these lessons and will continue its own journey to develop and implement its Lao TLAS building on these inputs from Indonesia while taking into account applicable laws and regulations in Lao PDR.

## Acknowledgements

The Expert Dialogue would not have been possible without strong support from the European Forest Institute's EU FLEGT Asia Programme; Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); KfW Development Bank; and all the Indonesian Ministries, agencies and associations who graciously hosted the Lao delegation and shared their valuable lessons.

## Additional information

All the technical documents, presentations, publications and photos from the dialogue can be accessed online through a [Google Drive](#).