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EU and Indonesia sign deal on illegal timber

By Richard Black Environment correspondent, BBC News



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Indonesia and the European Union have finalised an agreement aimed at ending the trade in illegally-sourced wood.

The agreement will mean that EU companies will only be able to import timber that is certified as complying with Indonesian environmental laws.

The East Asian nation possesses some of the world's most lavish forests, which in turn support spectacular wildlife.

The EU has concluded similar deals with four African countries, and Liberia is expected to follow suit next week.

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“Start Quote

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End Quote Andre de Boer European Timber Trade Federation

The deal - being signed in Jakarta - is known as a Voluntary Partnership Agreement (VPA).

"Not only is Indonesia the first Asian country to conclude VPA negotiations with the EU, it is also by far the largest timber exporter to enter into such an agreement," said EU trade commissioner Karel de Gucht.

Currently, European countries import about \$1.2bn (£720m) worth of timber and paper from Indonesia each year.

This accounts for about one-sixth of the nation's exports.

Importing problems

Last year, a major assessment concluded that the rate of illegal logging in Indonesia had declined by about 75% over the preceding decade.

Even so, it said, 40% of the timber harvested was illegal.

This was despite an initiative dating back to 2003 in which the government, alongside environmental groups and some companies, attempted to rein in illegal loggers, processors and exporters.



Wood products as well as raw timber will be included in the measures
Meanwhile, the US and EU have recently stepped up measures designed to block wood and wood products of illegal origin.

The US amended the Lacey Act so that companies are responsible for making sure their imports are legal, and the totemic Gibson guitar company is among those investigated as a result.

Last year, the European Parliament passed legislation with similar components, which comes

into effect in March 2013.

Mardi Minangsari of Indonesian environment group Telapak said she was hopeful that tackling both ends of the chain would bring results.

"We have worked hard with other stakeholders to design a system that will involve independent auditing and independent monitoring by civil society," she said.

"Also, we know that the new legislation in the US and EU preventing the entry of illegal timber has played a big role in convincing industry of the need to transform the way timber is harvested in Indonesia."

Companies wanting to export to the EU will have to be able to track their products from forest to exporting port.

Independent auditors - yet to be appointed - will be charged with verifying that companies' tracking is up to standard.

These auditors will report back to a joint Indonesian-EU committee.

Although only exports to Europe are covered by the agreement, the EU hopes that setting up the system will help Indonesia curb illegal logging and illegal exports across the board.

"By engaging with Indonesia, by having a good process to look at the legislative framework and identify the gaps, we hope to help them improve the whole situation," a European Commission official told BBC News.

Responsible sources

Generally, restrictions on the timber trade have had a mixed reception in the industry.

Some companies see it as a threat to their business - others, as an opportunity, ensuring that responsible practices are not penalised and that the supply of raw materials will be safeguarded.

Commenting on the latest agreement, Andre de Boer, secretary-general of the European Timber Trade Federation, congratulated the Indonesian and EU decision-makers.

"This regulation will support our quest for a level playing field in the market, encouraging buyers to purchase legal and sustainable timber, and therefore supporting producers who act responsibly," he said.

The EU is expected to conclude a similar agreement next week with Liberia.

A decade ago, the West African republic saw exceptionally rapacious logging, with armed factions trading timber concessions for weapons, prolonging the years of bloody civil conflict.