



## **FSC Briefing on:**

### **Indonesian FLEGT Licences and FSC Controlled Wood**

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In November 2016, Indonesian authorities started to issue Forest Legality Enforcement, Governance, and Trade (FLEGT) licences to timber product exporters. With this, Indonesia became the first country in the world to complete the legislative and administrative reforms needed as part of a Voluntary Partnership Agreement with the European Union, which aims to prevent illegal harvesting and trade of timber.

FSC congratulates Indonesia on this major step. Ensuring compliance with forest-relevant legislation is an important step towards sustainable forest management.

#### **FSC controlled wood – and legality**

In 1997, FSC introduced the concept of ‘controlled wood’, which stands for virgin forest materials that can be combined with materials of FSC-certified forest origin and/or recycled materials. ‘Controlled wood’ must have passed a risk assessment procedure, including the risk that that material comes from illegal harvesting as one of the five categories of the assessment (see all the categories in the box below). There are four other categories because national forest-relevant legislation can differ considerably between countries; they ensure a certain global bottom-line for what is acceptable in FSC products.

#### **Assessing FLEGT licences for FSC controlled wood**

In the last few years, FSC has started to introduce ‘FSC risk assessments’, country by country. Such assessments – implemented by FSC on the basis of a procedure that combines research and existing external sources with stakeholder consultations – will determine for each of the five categories whether they can be considered as ‘low risk’. For each category that is not deemed ‘low risk’, a company wanting to use wood from that country as ‘controlled wood’ will have to do additional assessments, oriented to the specific region or forest management unit and take, when possible, mitigation measures. If that does not lead to ‘low risk’ for all criteria, such wood may not be deemed ‘controlled wood’.

The relevant FSC risk assessment has to form the basis of any evaluation of the value of FLEGT licences of any country for meeting the controlled wood requirements.

#### **Back to Indonesia**



An FSC risk assessment is currently taking place in Indonesia. It is likely to be concluded this year. The performance of the official national scheme that forms the basis of the FLEGT licence, Sistem Verifikasi Legalitas Kayu (SLVK, Timber Legality Verification System), is included in this assessment. If the assessment concludes that the scope of the SLVK covers all the controlled wood requirements, and confirms enforcement of the legislation, material carrying an SLVK licence can be considered as low risk for illegality in the context of controlled wood. While it is unlikely that such a licence will replace risk assessment needs for all five categories, the assessment will tell to what extent it does.

Until the assessment is finalized and approved, FSC cannot make any statement as to what extent an Indonesian FLEGT licence helps to designate the licensed material as low risk for controlled wood.

The FSC controlled wood standard identifies five unacceptable sources for consideration as 'controlled wood':

1. illegally harvested wood;
2. wood harvested in violation of traditional and human rights;
3. wood from forests in which high conservation values are threatened by management activities;
4. wood from forests being converted to plantations and non-forest use;
5. wood from forests in which genetically modified trees are planted.

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