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Consistent wood certification matters

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November marked a historic moment in Indonesia's wood product exports. One year ago, on Nov. 15, Indonesian wood products were for the first time shipped with the timber legality certificate (S-LK), an equivalent of the Forest Law Enforcement Governance and Trade (FLEGT) license.

The shipment capped years of negotiations between Indonesia and the European Union to conclude a voluntary partnership agreement (VPA) on law enforcement and improved management and trade in forestry, popularly known as FLEGT.

The talks ended with the signing of the agreement by President Joko "Jokowi" Widodo and European Commission President Jean-Claude Juncker in April 2016, making Indonesia the only nation to have reached the accord with the EU.

As part of the agreement, the document indicating the legitimacy and sustainability of Indonesian wood products, the S-LK, which resulted from the timber legality verification system (SVLK), was considered equivalent to the FLEGT license. It means Indonesian wood products can enter Europe without going through the process of due diligence as required by EU wood import regulation. Indonesian wood products earning the freedom to enter the EU became a historic event celebrated by Cabinet ministers on Nov. 24, 2016.

Its positive impact was noticeable after a year. Based on timber legality information system (SILK) data of the Environment and Forestry Ministry, wood product exports to Europe continued to improve amid global economic lethargy.

While wood product exports to the EU in 2015 and 2016 totaled US\$872.2 million and \$868.8 million, respectively, until October this year with the S-LK serving as the FLEGT license, wood product exports to Europe have reached \$1.08 billion. Indonesia's wood product exports to the world until October 2017 were worth \$9.3 billion, exceeding the 2016 value of \$9.2 billion.

The positive impact of the S-LK scheme prevailed in the wood processing industry, including in furniture and handicraft production dominated by small-scale businesses, as shown by the rise in exports of these products. In 2015 and 2016, furniture exports to Europe respectively hit \$262.9 million and \$203.8 million. Until October 2017, furniture exports to the continent climbed to \$461.9 million.

The export performance is certainly heartening, which is even more so as one of the reasons for the long-drawn FLEGT accord negotiations was the preparedness of furniture and handicraft producers for the certification. A group of businesspeople wanted furniture and handicraft products to be exempt from the obligation to present the S-LK in their export process.

Their argument was the high cost of certification while furniture and handicraft businesses generally belong to small and micro scales.

However, financing and other support from the government

and many stakeholders finally solved the problem.

A more flexible regulation without reducing the accountability of timber legality was implemented for furniture and handicraft businesses, including the permission to arrange group certification and a longer period of certificate validity.

Until October 2017, 3,007 industrial units had obtained S-LK documents, which were predominantly furniture and handicraft producers.

What is happening today offers the right momentum to keep promoting the performance of furniture and other wood products in the export market. The S-LK treated as the FLEGT license creates the psychological impact on the international market that Indonesian wood products are legal and sustainable.

For quite a long time, Indonesian wood products have been improperly labeled as results of illegal logging, while the countries receiving such products from Indonesia have just enjoyed them by controlling the market.

The stigma once attached to Indonesia is now being eliminated with the presence of the S-LK derived from the SVLK, the system that guarantees the sustainability of wood products from Indonesia, because it is based on forest conservation principles and indicators.

A number of countries and international organizations have acknowledged Indonesia's achievement. This unique certification method that involves independent institutions and civil society groups in monitoring ensures the accountability of S-LK documents.

To maintain the momentum, all timber business players should of course consistently follow the guidelines stipulated in the S-LK. The global trust gained is too worthy to be spoiled by one or two cubic meters of stolen wood. NGO reports on the discovery of illegal wood infiltration in the process of certification in several wood processing units should receive prompt response. Strict sanctions should be imposed on those committing violations without compromise.

Conversely, we should also demand consistency on the part of the EU. As the only country signing the FLEGT-VPA with the EU, Indonesia hasn't yet enjoyed a significant market share in the continent. The EU timber market is still very easily penetrated by other countries' products.

If the EU is consistent with the wood import regulation it applies, the competitiveness of the other wood products will decrease as their legality requires thorough testing, which takes time and money.

The EU should also more consistently promote the FLEGT license to trust its own scheme rather than those developed by other agencies to guarantee wood product legality and sustainability.

Consistency is the key word for Indonesia and the EU because the essence of the agreement isn't just boosting exports but also improving forest management.

The writer is director general of sustainable production forest management at the Environment and Forestry Ministry.