

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF GREAT BRITAIN AND NORTHERN IRELAND
ON COOPERATION TO IMPROVE FOREST LAW ENFORCEMENT AND
GOVERNANCE AND
TO COMBAT ILLEGAL LOGGING AND THE INTERNATIONAL TRADE IN
ILLEGALLY LOGGED TIMBER AND WOOD PRODUCTS**

The Government of the Republic of Indonesia and the Government of the United Kingdom of Great Britain and Northern Ireland hereinafter referred to as "the Parties",

Recognising the substantial economic, social and environmental damage resulting from illegal activities in the forestry sector;

Recalling the Forest Law Enforcement and Governance East Asia Ministerial Conference in Bali, Indonesia, in September 2001, and the commitments entered into there;

Recalling the commitment to 'involve stakeholders, including local communities, in decision-making in the forestry sector, thereby promoting transparency and ensuring greater equity;

Recognising the fruitful cooperation that exists between the parties in forest law enforcement and governance and other areas of development, and the long standing mutual support and understanding between the two countries;

Acknowledging the recent steps taken by the Government of Indonesia to control illegal logging and by the Government of UK to put in place measures to ensure that only legally-sourced timber is used in government purchasing;

In accordance with the prevailing laws and regulations in each country as well as the procedures and policy of the Government of Indonesia concerning international technical cooperation;



HAVE AGREED AS FOLLOWS:

ARTICLE 1

The Parties decide to work together to reduce, and eventually eliminate, illegal logging and the international trade in illegally logged timber and wood products between the Parties, by rapid development and implementation of the necessary regulatory and policy reforms, including:

- a. Identification, by both Governments, of any reform of forest and related legislation and action required to prevent harvesting, export, and trade in illegally logged timber and wood products.
- b. Support by both Governments for the development, testing and implementation of systems for the verification of legal compliance based on independently verified chain-of-custody tracking and identification systems, in due course to be applied throughout Indonesia.
- c. The provision of technical and financial capacity- building assistance by the UK to support the design and implementation of these systems of compliance verification and the necessary accompanying legal and administrative reforms.
- d. Support by both Governments for the involvement of civil society in the effort to curb illegal logging and trade and particularly in monitoring the implementation of compliance verification.
- e. The joint development of systems for the timely collection and exchange of data on timber trade and wood product between the two Governments.
- f. The joint development of effective collaboration between enforcement agencies and network in the two countries, aiming to provide mutual assistance in the application of Indonesia law and UK law.
- g. Encouragement by both Governments for action by industry to reduce and eventually eliminate the volume of illegal timber and wood products transported and sold, including sourcing only timber and wood products identified as legal through the compliance verification systems referred to above, or through other, equally effective, means of identification.

ARTICLE 2

In order to guide the implementation of this Memorandum, both Governments will jointly establish an action plan including a timetable for the implementation of the commitments contained herein.



ARTICLE 3

The Parties will jointly review the implementation of the commitments entered into herein and suggest a further Memorandum of Understanding, if necessary, in the light of developing experience and understanding of the issue connected with the control of illegal logging and the international trade in illegally logged timber and wood products.

ARTICLE 4

Any dispute between the Parties arising out of the interpretation or implementation of this Memorandum of Understanding shall be settled amicably by consultation or negotiation.

ARTICLE 5

The foregoing record represents the understanding reached between the Parties upon the matters referred to herein.

ARTICLE 6

The present Memorandum of Understanding will come into operation on the date of its signature and will continue until it is terminated either by joint decision of the Parties or by one Party by giving written notice to the other Party.

The present Memorandum of Understanding may be amended at any time by written decision of the Parties

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Memorandum of Understanding

DONE, in duplicate, at London on the eighteenth day of April two thousand and two.

For the Government of
The Republic of Indonesia

For the Government of the
United Kingdom of Great
Britain and Northern Ireland