Action Fiche for "Enhancing cooperation with Indonesia on trade in wildlife products"

1. **IDENTIFICATION**

<table>
<thead>
<tr>
<th>Title of the action</th>
<th>Enhancing cooperation with Indonesia on trade in wildlife products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies)/Region</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Total cost</td>
<td>Total estimated cost: EUR 3 000 000</td>
</tr>
<tr>
<td></td>
<td>Total amount of the EU budget contribution: EUR 3 000 000</td>
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<tr>
<td>Total duration</td>
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<td>Method of implementation</td>
<td>Procurement - Direct management</td>
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<table>
<thead>
<tr>
<th>Markers (from CRIS DAC form)</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Main objective</th>
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<tbody>
<tr>
<td>Rio Convention Markers</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Biological diversity</td>
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</tr>
<tr>
<td>Combat desertification</td>
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<td>Trade Development</td>
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</table>
2. **RATIONALE AND CONTEXT**

2.1. **Summary of the action and its objectives**

Indonesia is one of the largest suppliers of wildlife products in Asia and a significant exporter of wildlife worldwide, in particular to the EU. The need to step up dialogue and partnership with key source countries has been highlighted in the EU Action Plan against Wildlife Trafficking adopted in June 2016. With the objective to answer to this need, the proposed action will contribute to influence key governmental decision makers at central and local levels in Indonesia. It will encourage action by Indonesia in line with the EU’s international objective of ensuring sustainable wildlife trade and addressing wildlife trafficking and its impact on endangered species. The objective of the action is to move forward engagement in the frame of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) by reinforcing policy dialogue and partnership between the EU and Indonesia on biodiversity protection and sustainable management and trade of wildlife and thereby contributing to the implementation of Sustainable Development Goal (SDG) 15\(^1\), the EU Biodiversity Strategy and the EU Action Plan against Wildlife Trafficking.

2.2. **Context**

Indonesia is one of the largest suppliers of wildlife products in Asia and a significant exporter of wildlife worldwide, in particular to the EU. Wildlife exploitation and export including both terrestrial and marine species represent an important source of economic activities in the country. The EU is one of the main importers and transit hub for these products, in particular of wildlife used by the European luxury industry, species imported as exotic pets, of tropical timber, of corals and of species imported for the making of jewellery or home decors.

Indonesia is a Party to the CITES Convention since 1979 and is an important and relatively active player in the life of the Convention which is becoming an increasingly important tool for the country to manage and trade its precious wildlife sustainably and legally. When it comes to the implementation of the CITES, Indonesia faces some general challenges concerning the conservation, management and sustainable exports of wild species as well as with regards to the functioning and effectiveness of its CITES management, scientific and enforcement authorities. It is in the interest of both EU and Indonesia's public authorities and companies involved in wildlife trade to ensure compliance with the EU Wildlife Trade Regulations\(^2\) and the provisions of the CITES convention so that trade in wildlife products can occur under a sustainable and stable framework.

This is an opportunity the EU should seize to promote shared engagement in the framework of CITES on disputed species which are not listed in the CITES Appendices despite of high levels of commercial exploitation threatening their survival, such as the Banggai cardinalfish (BCF) (*Pterapogon kauderni*).

In addition, wildlife trafficking has become one of the most profitable criminal activities worldwide, with devastating effects for biodiversity and negative impact on the rule of law due to its close links with corruption. While most of the EU Indonesia trade in wildlife products is deemed to be legal, a number of organizations have reported preoccupying levels of wildlife trafficking. Indonesia has been pointed out at a number of occasions in the context

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\(^1\) **SDG 15**: Life on Land: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

\(^2\) **Council Regulation (EC) No 338/97 and its implementing regulations**
of the CITES as a large exporter of specimens declared as "captive-bred", but which may actually correspond to wild specimens laundered via breeding farms and subsequently declared as bred in captivity. Challenges relating to wildlife trade and trafficking remain highly important in Indonesia as the country is one of the countries' most subject to EU import suspensions of CITES-listed species.

The need to strengthen actions to conserve and sustainably manage natural resources and biodiversity is explicitly identified in the EU – Indonesia Partnership and Cooperation Agreement (PCA). Article 27 of the PCA stipulates in particular a commitment by the EU and Indonesia to endeavour reinforcing capacity building for participating in and implementing multilateral environmental agreements, including the CITES Convention. Engaging into better cooperation with Indonesia and sharing expertise on sustainable wildlife trade would be of critical importance to enhance the EU Indonesia political dialogue on environmental issues. This issue was explicitly identified at the first Joint Committee of the PCA which took place in November 2016 in Brussels, and in the framework of the Working Group on Environment and Climate Change created under the PCA.

2.3. Lessons learnt

Experience in Indonesia has shown that the most successful projects are those that enjoy keen buy-in and interest from the Indonesian side from the beginning of the identification phase. This action is clearly addressing a joint priority as confirmed by the Indonesian Ministry of Environment and Forestry and so its chances of success are considered high.

As this action will work with several different ministerial stakeholders and requires thus a high amount of coordination, lessons can be drawn from the SWITCH Policy Support Component Indonesia³, which revealed the importance of clearly allocating activities and budget to the different counterparts in the logframe of the action. This will assure a balanced and sufficient participation of all involved governmental counterparts from the beginning.

Lessons learned from the ASEAN Regional Centre for Biodiversity Conservation emphasize the significance of an internal monitoring system for the project, the constant consideration of socio-economic benefits and detriments in the planning of project activities and the adaptation of expected competency standards to local circumstances.

Lessons learned from the European Commission funded project "EC-Indonesia Forest Law Enforcement, Governance and Trade (FLEGT) Support Project" demonstrate the importance of establishing project implementation structures that have a certain degree of adaptability to changing circumstances. Moreover, if civil society is involved it is important to think about synergetic and complementary functions which (specialised) NGOs are able to deliver, for instance independent monitoring and socialisation of results. In addition, lessons from the work on a similar Commission funded FLEGT programme with China highlight the need of engaging with consumers as well as government bodies to support a faster move away from consumption of forest products from illegal sources or of products that might encourage demand for endangered and illegally traded wildlife.

2.4. Complementary actions

The action will seek complementarity with an ongoing and a future Commission funded project. The ongoing action "Law Enforcement and Demand management of wildlife in Asia" is being implemented in a large number of countries in South- and Southeast Asia,

³ http://www.switch-asia.eu/policy-support-components/psc-indonesia/
including Indonesia. It has the purpose of strengthening the prevention, investigation and prosecution of wildlife crimes affecting key wildlife species, especially African and Asian elephants and rhinos, pangolins and tigers, hence mainly focussing on the law enforcement. The project implemented by indirect management with the United Nations Office for Drugs & Crime (UNODC) and given the regional scope planned the activities in Indonesia are limited. Therefore the action can add great value if both actions are well coordinated. The future project "Reinforcing security, protecting biodiversity and improving livelihoods by combating wildlife and forest crime" is a global programme working with the World Bank and International Consortium on Combating Wildlife Crime (ICCWC) and proposing Indonesia as one targeted country among 32 for selected activities. The Commission's project complements this action as it addresses both the interregional/cross-border problem of wildlife crime as well as the needs of the local communities whose livelihoods depend on wildlife trade (legal or illegal) and looks at reducing the demand side of wildlife products.

The proposed action will further seek complementarities with the project "Biodiversity Conservation and Management of Protected Areas in ASEAN" which aims to enhance biodiversity conservation and effective management of protected areas in Southeast Asia. The project supports the Association of Southeast Asian Nations (ASEAN) Centre for Biodiversity and provides training of ASEAN heritage parks.

The proposed action will also seek complementarities with the project "Support to Indonesia's Climate Change Response – Technical Assistance Component" (SICCR-TAC). The project implements a training programme (PPNS) for civil servants from the Aceh Provincial Forest Service personnel in the field of forestry investigation. Lessons learned from such training programme shall be taken for the development of activities under the present proposal.

The project will seek further complementarities with the project SUSTAIN "Support for Reform of the Justice Sector in Indonesia" which in part of its components addresses the improvement of forest law and its enforcement and focuses on improving institutional and operational capacity of law enforcement and judicial bodies to investigate, prosecute and adjudicate serious crimes.

Naturally, the proposed action will seek to coordinate with other projects funded by EU Member States and projects funded by other national and international donors including Wildlife Conservation Society, United States Agency for International Development (USAid) etc.

The proposed action can seek complementarities with the second component of the Partnership Instrument (PI) funded "EU-China Cooperation on environment, green economy and wildlife protection" which addresses the role of China as key destination for wildlife trafficking. Indonesia is one of the source countries for illegal trafficking of a number of protected and endangered species to China (e.g. pangolins who are used for consumption and medicines).

The proposed action will also create synergies with Forest Law Enforcement, Governance and Trade (FLEGT) to share lessons on regulatory approaches to prevent wildlife trafficking and illegal logging of timber and other forest products.

2.5. Cross-cutting issues

Actions on stakeholder engagement in environmental issues such as biodiversity protection will help demonstrate the importance of civil society and civil society organisations (CSOs) in
supporting government goals. The activities that link the work of the local CSOs and the CITES management authorities in awareness raising and monitoring will be concrete example of this crucial cooperation.

This action will help address broader sustainable development objectives, by reducing damage to forests and species that communities rely on in Indonesia as a source country affected by wildlife trafficking.

Gender mainstreaming aspects will be considered throughout the project. Equal gender representation among participants and resource persons for the activities shall be ensured to the maximum extent possible. Any impact on women and vulnerable members of the society especially at local community level must be considered when for any activities and outreach activities.
3. **DETAILED DESCRIPTION**

### 3.1. Objectives

The **overall objective** of the action is to advance the EU and Indonesia's engagement in the frame of the CITES and to strengthen the EU's role in its international efforts on biodiversity protection, sustainable management and trade of wildlife.

The action will thereby contribute to the implementation of SDG 15, the EU Biodiversity Strategy and the EU Action Plan against Wildlife Trafficking.

The **specific objective** of the action is to step up cooperation with Indonesia in the definition and realisation of its practices towards the implementation of existing and emerging commitments and requirements of CITES before and after the next Conference of Parties (COP18).

### 3.2. Expected results and main activities

**Result/output 1: Enhanced basis for the EU Indonesia policy dialogue on sustainable wildlife trade and biodiversity protection**

Specific activities linked to result/output 1:

1.1 Organisation of four (4) policy events and drafting of two (2) policy papers contributing to the EU Indonesia policy dialogue and working group on environment and climate change. Specific subjects of the events and papers relate to biodiversity protection and sustainable wildlife trade including on the volume, value and main commodities involved in the legal and illegal trade in wildlife products between Indonesia and the EU, traceability and on other topics to be jointly defined.

1.2 Participation in, communication and organisation of EU Indonesia side events at three (3) important international conferences and/or international meetings related to CITES, biodiversity protection and sustainable wildlife trade.

1.3 Three (3) week-long study visits for up to total ten (10) Indonesian officials to the EU in order to establish and nurture partnerships between the Indonesian CITES management/scientific/enforcement authorities and relevant authorities from one or more EU Member States as well as the EU.

1.4 One (1) high-level conference at Commissioner/Minister level to disseminate the results of the project in Indonesia.

**Result/output 2: Improved understanding among Indonesian stakeholders on monitoring and management of priority species in line with the CITES regulations**

Specific activities linked to result/output 2:

2.1 Joint implementation and support measures related to the monitoring and management of a **selected range wild terrestrial and marine species**.

2.1.1 At least five (5) technical meetings in Indonesia to share EU expertise linked to the performance of the tasks of CITES management and scientific authorities.
The expertise to be shared with Indonesian institutions consists of skills and best practices on wildlife inventories, sustainable management plans and control measures, modus operandi of the CITES management and scientific institutions, realisation of non-detriment findings (NDF) and sustainable trade mechanisms etc.

2.1.2 Following the technical meetings, at least ten (10) joint expert missions to conduct concrete field work in line with the CITES requirements on the sustainable collection and export of a selected range wild terrestrial and marine species. The species to be selected for the fieldwork are among those impacted by legal or illegal trade. Species selected should focus on:

1) Species for which the EU adopted import suspensions following Indonesia’s non-compliance with CITES requirements and the EU Wildlife Trade Regulations,

2) Species which are exported to the EU in high volumes (to be determined e.g. on the basis of a short wildlife trade analysis)

3) Species seriously threatened by illegal trade in Indonesia and

4) Commercially-exploited marine species recently included in CITES Appendix II, for which it remains unclear whether Indonesia has taken concrete steps to implement CITES requirements and the Xiamen declaration.

A tentative list of species proposed includes:
- Helmeted Hornbill
- Pangolins
- Live corals (species to be determined)
- Reptiles (species to be determined)
- Sharks
- Mobula
- Rosewood (Dalbergia).

2.2 Joint implementation and support measures related to conservation and sustainable trade in Banggai cardinalfish (BCF).

The joint implementation and support measures in line with the decisions proposed by the EU and adopted by CITES Conference of Parties (CoP) 17 are to be developed in cooperation with all relevant stakeholders (in particular local communities, authorities and relevant scientific experts).

2.2.1 At least four (4) technical meetings and four (4) joint expert missions related to conservation and sustainable trade in Banggai cardinalfish. Joint work includes establishment of a data inventory, a comprehensive survey of the species' populations and habitats, the establishment of conservation measures, as well as, where relevant, establishment of sustainable collection and trade measures. Such measures may include sustainable catch quotas, the establishment of Banggai cardinalfish protected areas or sanctuaries (in areas where native populations of the species are present), and the development of aquaculture activities in the Banggai region as an alternative to wild harvest.
2.2.2 Facilitation of three (3) coordination meetings of the Indonesian BCF task force with international (European) stakeholders.

2.2.3 Assistance to the national authorities in developing and implementing regulations limiting the harvesting of BCF and in the development of a listing proposal in view of CITES CoP18 in 2019 if relevant.

Result/output 3: Improved understanding among Indonesian stakeholders on enforcement for detection and combatting of illegal wildlife trafficking

Specific activities linked to result/output 3:

3.1 Collaboration with Indonesian authorities to conduct a mapping of illegal wildlife trade hotspots in Indonesia, and an evaluation of potential weaknesses, risks and gaps in relevant monitoring systems.

3.2 Organisation of five (5) expert workshops at local level in at least three (3) different provinces to share expertise on:
   1) Enforcement methods to detect and combat illegal online wildlife trafficking
   2) Inspection and control systems for breeding facilities to avoid the laundering of wild specimens via breeding farms and their subsequent export as specimens declared as captive-bred.

3.3 Coordination with other initiatives funded by the EU, EU Member States and other donors in the region to complement actions on law enforcement for illegal wildlife trade (see 7. Complementarities).

Result/output 4: Increased awareness among targeted stakeholders in Indonesia about the risks of wildlife trafficking and the importance of biodiversity protection

Specific activities linked to result/output 4:

4.1 Design and implement a comprehensive communication and awareness raising campaign at national level and among selected local governments and communities to increase public awareness on wildlife trade and endangered species. The campaign shall develop key messages, communication tools and materials and activate most popular communication channels among the local communities, adapting to preferred communication media. Cooperation between the Management Authorities and the institutions implementing the awareness campaign is of critical importance.
3.3. Risks and assumptions

Assumptions

The overarching political climate remains favourable for this action targeting wildlife trade.

The security situation remains sufficiently stable allowing for smooth implementation of the activities. This is in particular important for activities taking place at local and community level.

The government of Indonesia keeps raising its international profile leading to greater engagement and taking up of responsibilities in international fora and convention such as CITES.

Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement and availability of staff of Indonesian counterparts not sufficient or decrease over time.</td>
<td>Medium</td>
<td>The proposed activities have to meet the needs of the Indonesian authorities. Indonesian Ministry of Environment and Forestry as well as Ministry of Marine Affairs and Fisheries need to be fully involved in the steering of the action.</td>
</tr>
<tr>
<td>National and local governments lack the political will and enforcement power to prioritize and address the issues related to wildlife crime.</td>
<td>Medium</td>
<td>Awareness raising and <strong>full involvement of national and local levels in the action.</strong> Prioritise the topic of wildlife crime in the working group on climate and environment.</td>
</tr>
<tr>
<td>Reluctance of local communities to move away from illegal or unsustainable practices in wildlife trade.</td>
<td>High</td>
<td>Awareness raising about the benefits for their livelihoods and employment situation of trading wildlife legally. Encourage reward system for communities that actively participate in combatting illegal trade.</td>
</tr>
</tbody>
</table>

3.4. Stakeholders

The main stakeholders of the action include the Indonesian scientific, management and enforcement authorities including the Ministry of Environment and Forestry, the Ministry of Marine Affairs and Fisheries, the Indonesian Institute of Sciences (LIPI) and provincial and local authorities and governments. In general the Indonesian local communities whose livelihood depend on the income generated from wildlife trade as well as European and Indonesian industries, companies and civil society organisations active in the collection, breeding, processing, trading and distribution of wildlife species exported from Indonesia to the EU form important stakeholders.
Consumers and consumer organisation in the EU are indirect stakeholders seeking assurance to purchase legally sourced wildlife products.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

4.1.1. Procurement (direct management)

(a) The programme will be implemented via service contract. Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched 1st Quarter 2018.

4.2. Indicative budget

<table>
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<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
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<tbody>
<tr>
<td>4.1.1. – Procurement – direct management</td>
<td>3</td>
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<tr>
<td><strong>Totals</strong></td>
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</table>

4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity’s responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common PI indicators.

The reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

A steering committee shall be set up in support of the action. It will consist of representatives of relevant Commission services and the European External Action Service, with the EU Delegation in Jakarta.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.
4.4. **Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

4.5. **Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU and will therefore be an integral part of the action.

The implementing partner will establish a Communication and Visibility Plan at the start of implementation in line with relevant guidelines that inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the action shall bear the EU flag and mention that is financed by the EU.