

Regional approaches to tackle illegal logging and associated trade in Asia

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A review of four processes addressing illegal forest activities in Asia suggests some requisites for successful regional approaches: well-defined objectives, broad participation, shared leadership and regional ownership of the process.

The forests of Asia are facing difficult times. Rapid deforestation and degradation, expanding local and regional demand for fibre and wood, conversion to agriculture, and the threat of fires and invasive species are just some of the obstacles to achieving a shift to sustainable management. Relatively low levels of technical capacity, cash-strapped public budgets, and overly complex regulatory regimes also conspire to limit the effectiveness of government agencies trying to address challenges in much of Asia. Weak governance is also a major issue in some countries.

Despite these difficulties, the governments of the region and civil society have introduced regional approaches to tackle the problems. Although these partnerships are relatively young, they show promise, and at least some are being sustained and are growing. They also have not been shy to address some of the most sensitive issues and are beginning to propose solutions.

One of the most complex and sensitive aspects of forest management in Asia is illegal logging and the associated trade in illegally cut wood. Illegal logging is defined as the cutting, transport, process-

ing or export of wood products that is in contravention of national laws.

Estimates of the levels of illegality vary greatly, but in some countries (including Cambodia, China, Indonesia, Myanmar and Russia) the problem is serious and widespread. In Papua New Guinea there are frequent legal battles between local pressure groups and the government over the legality of logging licences. In some countries, such as Indonesia, national laws are numerous and complex, and sometimes even contradictory. In these cases, relevant laws – those that address important issues of social, ecological and economic sustainability – are a focus of concern.

Much of the wood cut illegally enters international trade. Often it is “laundered” through intermediary countries and re-enters international trade in apparently legal form. Some is directly smuggled out in the form of raw logs. Local officials are often involved in these transactions and profit illegally from them, despite efforts to improve enforcement by many public agencies.

Officials in countries that import wood of illegal origin face a difficult task in trying to differentiate between wood

Officials in countries that import wood of illegal origin may have trouble differentiating it from wood that is legal



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and wood products that are legal and those that are illegal, especially when the illegal wood is accompanied by superficially respectable documentation. Therefore regional cooperation is needed to devise systems to help address the problem.

Other benefits of greater regional cooperation in this area include knowledge sharing by countries that have been independently strengthening their policy and procedures to address illegal logging. Regional fora also create an opportunity for specialists, activists and business representatives to share their experiences and perspectives with governments and vice versa.

This article describes four ongoing regional processes in Asia that have bearing on illegal activities. Although these are all young, they yield tentative lessons for future success, which are presented at the end of the article.

FOUR REGIONAL PROCESSES **Asia Forest Law Enforcement and Governance Process**

At a meeting in September 2001, high-level representatives from several East Asian countries, including Japan, China, Indonesia and Cambodia, together with officials from Europe and the United States, resolved to work together to combat illegal logging and to improve forest governance in the region (Sizer, 2001). The meeting, held in Bali, Indonesia, was supported and funded by the United States and the United Kingdom and organized by the World Bank and Indonesia's Ministry of Forestry.

The resulting statement, the Bali Declaration, was an unusually frank commitment and recognition of the issues. It identified 50 actions at the national level and 20 suggested regional endeavours. Of special note, the importing countries acknowledged that they have a responsibility to assist exporting nations to

reduce the trade in wood products of illegal origin.

Despite the generally positive tone in Bali and the commitments to action, there were already signs of some weaknesses in the process. Malaysia's government did not participate, objecting that these issues were best dealt with by national governments. Only Indonesia and the United Kingdom were represented at the ministerial level, which raised questions about other governments' level of political commitment to the process and to the Bali Declaration.

The emerging Asia Forest Law Enforcement and Governance (FLEG) process created a regional advisory group to facilitate and ensure civil society and business input to the governments. The advisory group formed a regional task force, which met in May 2002 to define the process and how to move forward.

A year had passed since the initial forthright statement of intentions, however, with little follow up. A major effort was then made to organize a full meeting of the regional task force (the governments) and the advisory group. This meeting was held in Jakarta, Indonesia in January 2003, with over 70 participants, including representatives from 11 countries. Again the World Bank and Indonesia's Ministry of Forestry played important facilitation roles. This ambitious meeting achieved consensus on four important priority actions:

- development of a clearinghouse mechanism for transparent reporting for all matters on forest governance;
- development and compilation of a format for sharing information on progress made on FLEG implementation at the national and regional levels;
- development of the overall strategic framework for FLEG implementation at the national and regional levels;
- research on timber supply and demand.

Different members agreed to lead implementation of each of these actions (World Bank, 2003).

More than 18 months later, the initial enthusiasm for agreement on these strategic actions has not been followed by measurable progress in implementation. Plans for implementation at the national level have for the most part not materialized. Indonesia's Ministry of Forestry has not established a formal secretariat for the FLEG process. The ministry has tried to promote information sharing and has requested information from the other governments, but most of the governments have not responded to the ministry's carefully structured questionnaires or provided information. A second ministerial meeting (also one of the Bali commitments) has been repeatedly postponed because of concerns that the ministers would have little progress to report and consider. No date has yet been set for such a meeting.

Despite the apparent lack of will to follow through on the Bali Declaration, there is no doubt that the process has been of value. It raised the profile of the issues at a key time and helped to stimulate policy debate, public awareness, media attention and business concern. It also paved the way for similar processes in other parts of the world, most notably Africa.

Efforts to reinvigorate the FLEG process continue, but the governments of the region seem to feel a reduced sense of ownership, perhaps sown at the initial meeting in Bali when some felt that the United States, European governments and the World Bank dominated the process. Efforts to ignite action continue to come most energetically from outside the region and from the World Bank.

Asia Forest Partnership

A second major process, the Asia Forest Partnership (AFP), was announced

at the World Summit on Sustainable Development in Johannesburg, South Africa, in September 2002. This partnership seeks to address a broader range of issues than the Asia FLEG process, but the issue that gains the greatest attention from the process, as with FLEG, is illegal logging and associated trade. Other priority issues for AFP are forest fires and rehabilitation and restoration of forest lands.

AFP was initiated by Japan's Ministry of Foreign Affairs in close association with Indonesia's Ministry of Forestry. By the time it was launched a core group of four "lead partners" had emerged. The other two were a non-governmental environmental group, The Nature Conservancy, and the Center for International Research on Forestry (CIFOR), both participating through programmes in Indonesia. At the time of the launch seven other governments plus the European Union were committed as partners, as well as many intergovernmental groups (AFP, 2004). Funding and staffing for AFP activities has come from the partners themselves, with the Governments of Japan and Indonesia providing most of the support.

Since the launch of AFP, four large meetings have been held to promote and strengthen the process, and a further meeting is planned for December 2004. Partners now include 15 governments (including Malaysia, which chose not to join the FLEG process) plus the European Union, eight intergovernmental organizations and four non-governmental groups.

Leadership and decision-making so far have been simple. The four lead partners act in consensus to organize the process, while actions can be proposed by any of the partners. If the partners agree, work plans are developed and implemented, with one partner taking responsibility to facilitate the process. Progress does not depend on actions by all of the partners

and can proceed relatively independently once the partners have agreed to adopt the work plan.

The work plans that have been adopted by AFP cover several important topics. Those being implemented are the following:

- sharing information on the various AFP priorities among the partners through a well-used, clear, up-to-date Web site, which is maintained by CIFOR with funding from Japan;
- creating a framework for cooperation among customs agencies to combat the trade in illegal wood, which is in the analysis stage, with a study of the legal aspects under way.

The following work plans have been developed and adopted but have not yet moved into implementation or are not yet backed by sufficient funding:

- development of a database of training resources in Asia for sustainable forest management;
- development of minimum legal standards, timber tracking, chain-of-custody systems and verification systems;
- harmonization of existing initiatives to combat illegal logging in the region, including the Asia FLEG process, the Association of Southeast Asian Nations (ASEAN) Timber Certification Initiative, activities of the International Tropical Timber Organization (ITTO) and others;
- review of the existing (bilateral) agreements and announcements on illegal forest activities in Asia and lessons that can be learned from their implementation;
- human resource development for forestry personnel through training courses, particularly in forest and land rehabilitation;
- a regional workshop to promote small-scale tropical plantations with local community participation;

- development of a regional forest fire management centre for peat and swamp areas.

The process is gathering momentum but still counts heavily on leadership by a few of the partners, especially the initial lead partners, with a disproportionate emphasis on Indonesia. It does, however, have strong ownership within the region, with Japan and Indonesia particularly active and regular input from Malaysia and others. It is also attracting steadily increasing funding from various sources, including the partners themselves, which indicates that the process could become self-sustaining in the medium term.

Association of Southeast Asian Nations

In May 2004, in Brunei, senior forestry officials from the ASEAN countries endorsed a proposal to create a targeted ASEAN cooperation programme for reducing trade in illegal wood products within ASEAN and other consumer countries. They recommended that the process involve donor agencies, business partners, ASEAN Dialogue Partners (countries outside the ASEAN region) and some non-governmental groups with specialized expertise. This initiative is at a much earlier stage of development than the others described in this article; the plan has yet to be formally agreed and initiated.

In September 2004, ASEAN hosted a workshop in Jogjakarta, Indonesia, in partnership with the Swedish government, to identify priority strategies. These will be considered at the next formal meeting of the ASEAN Senior Officials on Forestry in 2005.

It remains to be seen whether ASEAN and its Jakarta-based secretariat will turn these proposals into activities with effective follow-up. Illegal logging issues are highly sensitive and ASEAN has generally been shy of controversy. Nonetheless, some of ASEAN's most active and

powerful member governments, such as Indonesia, Malaysia and Singapore, might see this as a forum within which they can develop new initiatives using well-trying, consensus-based processes.

Asia-Pacific Forestry Commission

FAO's Asia-Pacific Forestry Commission (APFC) has been active on the issue of illegal logging as well as many other topics. The commission has 30 member countries and also actively involves civil society and business in its meetings. It serves as a forum for sharing information and promoting policy cooperation across the region.

At the nineteenth biennial meeting of APFC in Mongolia in September 2002, illegal logging was one of the featured topics. The commission requested that FAO support information sharing on various aspects, included the following:

- encouraging regional cooperation in combating illegal logging and trade;

- raising awareness about the economic, social and environmental costs of illegal logging and trade;
- simplifying and rationalizing forest laws;
- reviewing log pricing policies and strengthening capacities in assessing illegal domestic and international timber trade;
- applying criteria and indicators for sustainable forest management, forest certification and audit and monitoring systems;
- preparing and implementing codes of practice for effective forest harvesting;
- promoting increased participation of local people in forest management.

The Mongolia meeting generated a lively discussion about illegal logging issues among the government officials present. There was a strong call for implementation of the regional task force mandated by the Bali Declaration (FAO, 2002).

At the twentieth session of commission in April 2004 in Fiji, the matter of illegal logging and associated trade again received attention. The commission called for more collaboration among member countries in dealing with these

problems. FAO was also urged to provide additional technical support to help member countries control illegal logging and associated illegal trade and to assess the costs and impacts of illegal logging (FAO, 2004).

LESSONS AND WAYS FORWARD

The processes described here are separate, but many participants and discussions are shared among some or even all of them, leading to substantial informal flow of information and lessons among the processes. In addition, these efforts are complemented by those of organizations such as ITTO, which sponsors several important projects in the region on illegal logging and serves as a venue for dialogue on the subject through the regular meetings of its members, in which non-governmental organizations, businesses and others are welcome to participate.

There is also undoubtedly some level of duplication, and this has led to suggestions to try to merge the approaches, particularly AFP and the Asia FLEG process. Given the variations in origin, participation and procedures, and the impossibility of predicting which processes will be successful, merging the

Illegally cut logs being floated along the river to illegally operated sawmills, West Kalimantan, Indonesia



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processes would be challenging and probably undesirable in the short term. The processes could, however, make a more concerted effort to ensure that lessons are systematically and regularly shared.

There are no definitive lessons from these experiences yet. All of the processes are less than three years old and none has generated concrete outcomes in terms of policy changes or dramatic improvements in combating illegal logging. Some tentative lessons are emerging, however, which are consistent with experiences elsewhere in promoting cooperation and change on politically sensitive issues (see for example Seymour and Dubash, 2000).

First, regional approaches are needed but take a long time to develop. When many partners are involved, with widely varying capacity, expertise and levels of commitment, it takes a long time to build a partnership and get results. A more rapid route to action, especially where there is strong commitment, would be through less ambitious collaborations involving fewer partners, including bilateral arrangements among governments. A Memorandum of Understanding signed in 2002 between the United Kingdom and Indonesia, for example, has quickly resulted in a work plan with funding and is advancing a range of activities in Indonesia. The weakness of the bilateral approach is that it does not directly address the broader regional market linkages. However, the United Kingdom and Indonesia are promoting sharing of their experiences, particularly through FLEG and AFP.

Second, Asian ownership of the process is important if it is to be sustained. Asian governments have felt significant pressure from international markets and policy-makers in Europe and the United States, as well as from international non-governmental groups, the World Bank and others to address illegal logging and

associated trade issues. This pressure has had a useful role in moving the issues up the political agenda in the region, but as the attention of the international players shifts the processes dissipate unless there is deeper support within the region for change. Regional processes should ideally be led, controlled and financed from within Asia if they are to sustain activity.

Third, multistakeholder leadership engenders innovation. Illegal logging has a long and complex history and there are no simple solutions to the problem. Regional processes that go beyond the traditional intergovernmental approach and actively encourage non-governmental and business participation seem to be generating more innovative outcomes and proposals for action. AFP, which shares decision-making among governments and non-governmental partners, shows particular promise in this respect.

As regional initiatives grow and expand they will require greater resources and more active partners. As donors, government agencies, non-governmental groups and businesses scan the range of ongoing activities they might do best to invest more in processes that have clear, targeted objectives, that welcome broad participation and shared leadership, and that have strong political roots within the region. ♦



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