

It's time for governments and the timber industry to deal with illegal logging and illegal timber trade

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IN Indonesia, illegal logging and illegal timber trade is a massive problem that undermines the rule of law and deprives the state of substantial revenues. It encourages other forest crimes, has serious economic and social implications for the poor and disadvantaged, and is a major threat to ecosystems and biodiversity. In short, illegal logging and the illegal timber trade have very few long-term advantages for anyone other than those responsible for plundering the forest and smuggling the timber from one country to the next.

National park logging

In August 1999, the Environmental Investigation Agency (EIA) and its Indonesian partner Telapak released a report in Jakarta called *The Final Cut* exposing the commercial logging of Tanjung Puting National Park in Central Kalimantan, Indonesia.

We found that the main timber species being exploited in the park for global markets is *ramin* (*Gonystylus* spp.), a tropical hardwood that grows in peat swamp and the lowland freshwater swamp forests in Borneo, Sumatra and Peninsula Malaysia. It is traded internationally for a range of products including interior mouldings, furniture components, picture frames and dowels. *The Final Cut* and the EIA/Telapak campaign exposed names and gave evidence with footage and stills; we continue to investigate and monitor not just the illegal logging of Tanjung Puting, but also the illegal trade that allows this timber to be sold in international markets.

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By focusing on a single commercial tree species, the workings of the illegal logging and trade in this area have been revealed, from the gangs of illegal loggers controlled by middle men, to the politicians and military who profit directly from illegal activities. Tanjung Puting National Park has become a test case for the Government of Indonesia and its willingness to combat illegal logging and the trafficking of illegal timber for international consuming markets.



Photo: © Environmental Investigation Agency

Indonesia's illegal timber finds its way to the international market either directly or through neighbouring states, especially Malaysia and Singapore, where the timber is relabelled and sent on to the US, Europe, Japan, Taiwan and mainland China markets (EIA/Telapak 2001).

After two years of further investigations by EIA/Telapak and local partner NGOs, which gave revealing insights into how these crimes were being committed, the Government of Indonesia began to show some political will to deal with the situation. In April 2001, a ministerial decree was issued to place a temporary moratorium on the cutting and trading of this threatened species. Following this decree, the Secretariat of the Convention on International Trade in Endangered Species (CITES) was notified that Indonesia was placing its *ramin* on Appendix III of CITES with a zero quota, effectively banning its export from the country. By doing this, the Indonesian government is asking for international support and is placing some of the responsibility for *ramin* timber theft on importing countries. Consuming countries are now bound by their national CITES legislation to prevent imports of Indonesian *ramin* with the exception of that produced by Diamond Raya Timber, a company controversially certified by the Forest Stewardship Council-affiliated Indonesian Ecolabelling Institute in April 2001. CITES is the only international legally binding instrument that the Indonesian government can use to help start protecting its forest in Tanjung Puting. Currently, no other laws exist that address the trade in illegally sourced timber and its consumption.

On 17 August 2001 the Malaysian CITES management authority notified the CITES Secretariat that they would be taking an exemption on the *ramin* listing for its parts and products. It is difficult to understand the reasoning for this

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order to continue to export its own ramin—as long as it has been legally cut within the country.

Progress

Following the CITES listing of ramin and the inauguration of a new Indonesian President, a new Minister for Forests was appointed in early August 2001. Up to then no concrete steps had been taken to actively pursue the timber barons both in Indonesia and neighbouring countries who are involved in the running of illegal logging and the supply of illegal timber to syndicates with businesses that feed the international markets. Although ramin had been placed on CITES Appendix III, the issue of enforcement and accountability within Indonesia was still being avoided.

In September 2001, the Forest Law Enforcement and Governance East Asia Ministerial Conference (FLEG) was held in Bali, Indonesia (see *TFU* 11/4 for a report). It was attended by 150 people representing government, NGOs and the private sector from 20 countries, although Singapore and Malaysia were not represented. The result was an unprecedented commitment from government ministers from around the East Asia region to take action in combating 'forest crimes' that included illegal logging, the trafficking of illegal timber, parts and products, and the trade in illegal imports. Other consuming countries including the USA, UK, Japan and China were also represented and agreed to the declaration. It was acknowledged and openly discussed that at the centre of this problem was corruption, which existed not just within governments but within the industry as well.

Two months after FLEG, authorities from the Ministry for Forests and the Indonesian Navy seized three cargo ships allegedly illegally transporting timber from the Indonesian province of Central Kalimantan to China. The ships were detained and the captains and crew are currently being held at the navy depot in Jakarta. While investigations continue it is estimated that the shipping companies are losing about US\$10 000 a day. The broker involved in providing the illegal timber has lost its commodity and the importer its goods. A small but significant signal has been sent to shipping companies that Indonesia is now prepared to seize and hold timber that is being traded illegally.

More effort needed

It is hard to believe that the issue of illegal logging and the illegal timber trade is only now starting to be addressed openly. With the commitments made by the governments of the East Asia region the industry must also participate in ensuring that the resources they buy and sell come from legal sources. There is an urgent need for new legislation prohibiting the import and sale of illegally sourced timber and products. The laundering of illegal timber is in itself a massive commerce benefiting only those who control the syndicates; criminal elements within the trade must be confronted.

Governments need to develop new procurement policies that demonstrate that timber and wood products have come from legal sources, and industry needs to adopt transparent chain-of-custody processes that allow timber tracking from source to market. Producing countries need to formalise a system of cross-border cooperation between national enforcement authorities, and to enact legislation allowing the confiscation of illegal timber and those dealing in it outside the country of origin. These are some of the recommendations that

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Processed ramin: Illegally obtained ramin photographed undercover in Indonesia, May 2000. Photo: © Faith Doherty, Environmental Investigation Agency

EIA/Telapak see as being essential first steps in combating illegal logging and the illegal timber trade.

Founded in 1984, the Environmental Investigation Agency is an independent, international campaigning organisation committed to investigating and exposing environmental crime. It is based in London, UK and Washington, DC, USA.

Reference

EIA/Telapak Indonesia 2001. *Timber trafficking: illegal logging in Indonesia, South East Asia and international consumption of illegally sourced timber*. Environmental Investigation Agency and Telapak Indonesia, September 2001. (Available at www.eia-international.org)