Stemming the Flow of Illegal Wood: Experiences from Indonesia and the Region

Jack Hurd
The Nature Conservancy
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Indonesia: The Issue

- Illegally obtained timber is laundered through permitted ‘legal’ activities
- Illegally obtained timber enters international trade through the weak export control system
- Regional cooperative information-sharing & enforcement mechanisms are insufficient
- Markets do not necessarily distinguish between ”good wood” and ”bad wood”
- Lack of incentives to manage legally/responsibly
Indonesia: The Impact

- Lost government revenues – taxes, duties, etc.
- Responsible forest producers undermined - reducing market access and product competitiveness
- Increased social conflict over access to forest resources - 30 million forest dependent people in Indonesia
- Environmental degradation:
  - Loss of biodiversity
  - Fires, haze pollution & carbon emissions
  - Watershed damage and sedimentation
Indonesia: Some Results 2003-'06

- Integration of HCVF into East Kalimantan land-use plan
- FSC & LEI certification of the 270,000 ha Sumalindo II concession, East Kalimantan
- Model of collaborative management between communities and concessionaires, East Kalimantan
- Adoption of piloted draft legality standard
- Extension of the piloted timber tracking mechanism
Indonesia: Lesson Learned

- Enabling Environment
- Forest Management Performance
- Collaborative Management
- Market Linkages
- High Conservation Value Forests
Southeast Asia: Responsible Asian Forest & Trade (RAFT) Program
RAFT – Desired Outcomes

- Legality standards
- ASEAN-wide principles of legality
- Investment screening
- HCVF skills development
- Certification of forest operators
- CoC and supply chain management
- AFP/FLEG process engagement
- Regional training/networking in certification
- Customs Cooperation and Mutual Administrative Assistance Agreement
China: Import-Export Markets

- Build transparency into import-export markets
- Promote “green” procurement policies in the public and private sectors
- Secure domestic supply of sustainably managed wood
United States: Demand-Side Measures

- Private Sector
  - Corporate Procurement
    - Forest products companies
    - End-users and retailers of all stripes
  - Financial Investment

- Public Sector
  - Federal/state legislation
  - Bi-lateral agreements
    - US-Indonesian MoU
    - US-Malaysia FTA
  - Agency procurement (federal/state)