

# Strategies to Combat Illegal Logging and Forest Crime



## Magnitude of the problem

Illegal logging is increasingly recognized as a leading problem facing forest management globally. Although difficult to document, in part because of inconsistent accounting practices, a [major review conducted for the World Bank](#) estimated illegal logging as equal or exceeding the legal harvest rates in a number of countries including: Cameroon (50 percent), the Brazilian Amazon (90 percent), Bolivia (90 percent), Indonesia (more than 51 percent), Myanmar (80 percent), and Cambodia (94 percent). However, illegal logging is not limited to developing countries; it has also been estimated that up to 50 percent of logging may be illegal in some far eastern regions of Russia, and that more than \$320 million may be lost to theft and fraud in Canada. In the public forests of the U.S., illegal logging also is a persistent problem.

Illegal logging at this scale creates a disincentive for sustainable forestry practices by depressing market prices for legally harvested wood. It also undermines a country's capacity for development and providing essential services. According to World Bank estimates, illegal logging results in a loss of \$10 to \$15 billion a year to country economies – an amount greater than total World Bank lending to client countries and greater than total annual development assistance in public education and health. The tendency for illegal logging to be associated with weak legal systems and social instability also reduces the confidence of foreign investors.

Pressure to stop illegal logging comes not only from environmental NGOs and environmentally aware consumers, but also from governments both of producer and consumer countries, as well as intergovernmental organizations and some actors in the private sector. At the 1998 G8 (Group of Eight countries) summit, the responsibility of importing countries was recognized, and members were formally requested to control the trade of illegal timber. In an [East Asian Ministerial Conference on Forest Law Enforcement and Governance](#) (FLEG), ministers of East Asian countries signed an historic agreement in which they made commitments to collaborate in various ways to combat illegal logging. The [Africa Forest Law Enforcement and Governance](#) (AFLEG) Ministerial Planning Meeting took place in Brazzaville, the Republic of Congo, on June 2002, and the [International Tropical Timber Organization](#) and the [Convention on Biodiversity](#) are also taking steps to address the problem.

In developing appropriate response strategies, it is critical to first distinguish between different types of illegal logging:

- High-level commercial-scale logging and related criminal activities in which there is often state and/or military collusion or corruption across the entire sector.
- Small-scale community-level practices that are often regarded as illegal under existing legal frameworks, and which fail to recognize traditional uses and local livelihood interests.
- Armed conflict situations, in which there is a more complete breakdown of law and order, such as in rebel, occupied territories where illegal timber extraction is used to finance and perpetuate conflict, an example that was found in the Democratic Republic of Congo, by an [expert panel of the UN Security Council](#).

## Strategies to combat illegal logging

*Illegal activities* primarily associated with *commercial scale logging* include: logging in protected areas and outside of concession boundaries, use of bribes to obtain concessions, logging of protected species, extraction of timber at levels higher than authorized, undervaluing and undermeasuring harvested timber, smuggling, transport, export and import of illegally harvested timber without paying taxes, and use in processing.

Strategies for addressing illegal actions include:

- reforming concessions, policies and regulations – e.g., the ability to terminate concessions for non-compliance with regulations, use of independent observers and log auditing;
- avoiding the placement of roads and other infrastructure in the vicinity of protected areas;
- promoting the adoption of log tracking technology to follow timber from harvest through milling to ensure that illegal wood does not enter the legal supply;
- visibly demarcating boundaries between concessions, protected areas, and indigenous territories;
- establishing certification processes that track the chain of custody and give importing countries the opportunity to avoid illegally harvested timber;
- encouraging investments in sustainable forest management, which also gives investors an interest in stopping illegal forest management practices that distort market prices;
- developing common standards for measuring and reporting forest crime; and
- boycotting timber from conflict zones, particularly areas outside the control of recognized governments, and avoidance of collaboration with companies that trade arms for timber.

At the community scale, a key problem is the lack of recognition and clarification of traditional property rights, including rights to ecosystem services provided by forests, as well as the criminalization of some traditional uses. This also gives communities greater incentive to collaborate in protecting forests against outside encroachment (see [Strategies to enhance the security of forest tenure](#)). Collaborative law enforcement will require effective decentralization of authority accompanied with appropriate resources available for implementation. An example of community participation in management and enforcement in exchange for limited access and use rights is the [Joint Forest Management Network](#) (JFM) in India.

Some strategies for addressing community forestry activities include:

- recognizing and enforcing indigenous rights;
- including low-income and indigenous peoples in the process of rule making and implementation.

Illegal logging is often a manifestation of deeper, structural problems in the forest sector. Strategies to address these issues include:

- providing assessments that link illegal logging and forest crime to livelihood concerns and determine the institutional capacity for governance;
- strengthening judicial systems and the rule of law; and
- restructuring forest industries such that processing capacity does not exceed supply.

Policies should be reformed to:

- reduce conflicts between formal laws and traditional norms and forest uses;
- establish or clarify property rights to ecosystem services and responsibilities for providing them;
- motivate stakeholders to collaborate in law enforcement by enabling them to effectively participate in decision making and share the benefits of legal harvesting and conservation;
- increase risk to those engaged in illegal practices;
- provide transparent mechanisms for conflict resolution;

- increase transparency and accountability to stakeholders; and
- reduce the discretionary authority of decision makers, which increases opportunities for corruption.

### **Examples of innovative approaches**

Ecuador's new policy for sustainable forest management standards was established and enforcement capacity was strengthened through the creation of "[Vigilancia Verde](#)," a Green Surveillance team in which public and private institutions work together to monitor illegal timber operations. It is funded by 50 percent of the proceeds from auctioning off seized illegal timber. In its first year, the project seized five times the amount seized in the year before it began operations.

In [Bolivia](#), policy reforms adopted in 1996 empower private citizens to inspect forest operations and denounce illegal acts, sanction the legal establishment of Local Community Associations that enable more effective participation in decision-making by forest-dependent communities, increase accountability and transparency, reduce the discretion forest officials previously had to determine concession fees, and allocate concessions through open auctions.

In Cambodia, a [Forest Crimes Monitoring Unit](#) was established as an initiative of the United Nations Development Programme (UNDP) and the U.N.'s Food and Agriculture Organization (FAO). The monitoring unit is supported by the U.K., Australia, Denmark, and the World Bank to directly assist the Cambodian government in building its capacity to combat forest crime. This unit includes a Forest Crime Monitoring Office in the Department of Forestry and Wildlife, a Department of Inspection in the Ministry of the Environment, and independent monitoring by [Global Witness](#), whose previous efforts led to the initiative. A key component involves developing systems for tracking logs and forest crime cases, which has increased accountability and transparency and led to a significant increase in enforcement actions.

### **Resources**

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Contreras-Hermosilla, A. 2001. [Law Compliance in the Forestry Sector: an overview](#). Overview paper presented at the East Asian Ministerial Conference on Forest Law Enforcement and Governance.

Contreras-Hermosilla, A. and M.T. Vargas Rios. 2001. [Social, Environmental and Economic Dimensions of Forest Policy Reform in Bolivia](#). Forest Trends, Washington DC, and Center for International Forestry Research, Bogor Indonesia.

International Tropical Timber Organization, established in 1985 under the International Tropical Timber Agreement of 1983 to promote sustainable development of tropical forests. Facilitates consultation and collaboration among its 57 member countries that represent 95% of world trade in tropical timber and 75% of tropical forests. See newsletter, "[Tropical Forest Update](#)" special issue on "Forest Crime", Volume 12, No. 1, 2002. For cited figures on the magnitude of the problem, see: Smith, W. 2002. [The global problem of illegal logging](#).

[Environmental Investigation Agency](#), an NGO that investigates environmental crimes. Website provides reports and news items on illegal logging and related forest crimes.

[Global Witness](#), an NGO that investigates forest and other environmental crimes. Website contains reports that provide details on illegal logging and timber trade in Liberia, Congo, and Cambodia and international networks associated with them.

[Global Forest Watch](#), a network of organizations in frontier forest areas that monitor forest activities and promote transparency and accountability in forest management decisions. Website contains several country reports.

Transparency International, [Forest Integrity Network](#) – a network of scholars, activists and government officials that grew out of a workshop co-sponsored by the Harvard Center for International Development, International Union for the Conservation of Nature, and Transparency International.

Shambaugh, J., Oglethorpe J., Ham R. with contributions from S. Tognetti. 2001. [The Trampled Grass: Mitigating the impacts of armed conflict on the environment](#). Biodiversity Support Program. Washington, DC.

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