

The global problem of illegal logging

Illegal logging is widespread in both the tropical and temperate zones. Coordinated action by all stakeholders at the international and national levels is needed, and NGOs should play a prominent role

by Wynet Smith

Senior Associate

Forest Programme
World Resources Institute
wynet@wri.org



Collecting evidence A. Ruwindrijarto of Telapak Indonesia uses a video camera to help record data during a field investigation into illegal logging. Photo: © Forest Watch Indonesia

THE issue of illegal logging has received considerable attention in the last few years. Major international fora have discussed the issue and developed action plans and recommendations for research. For example, the 1998 G8 Action Plan on Forests contains recommendations for both producer and consumer countries. The International

... on-the-ground assessments of illegal logging are essential to document the scale of the problem, to track progress in addressing the issue, and to highlight where enforcement is still needed. An integrated approach that uses information obtained using a variety of tools and methodologies will be most effective.

Tropical Timber Council passed Decision 6 at its 31st session in November 2001 that calls for and initiates action to promote transparency in the tropical timber trade. Also in November 2001, the Convention on Biological Diversity's Subsidiary Body on Scientific, Technical and Technological Advice completed its final report on forest biodiversity. This report, which will be considered at the April 2002 Conference of the Parties, includes recommendations

for actions on illegal logging and trade. But what exactly is this illegal logging problem and why is everyone suddenly paying attention?

Defining illegal logging

The term illegal logging is used to refer to timber harvesting-related activities

that are inconsistent with national (or sub-national) laws. Illegal and corrupt activities in the forest sector can span the entire industry from wood harvesting and transport, to industrial processing and trade. Illegal cutting includes logging inside protected areas or outside concession areas. Logging within allocated concessions can be illegal if it does not conform to the law. For example, cutting restricted species, or over the allowable limit, or before the concession or licence is active, constitutes an illegal act. Other types of illegal activities include under-reporting the amount cut, false reporting of the species harvested to avoid higher taxes, the illegal transport of timber, and the poaching of wildlife in areas opened up by timber-cutting. Corruption can occur at many levels, from the issuance of licences and concessions to local law enforcement.

A global problem

Illegal logging appears to account for a major—but as yet unknown—portion of wood products sold on domestic and international markets worldwide. Existing studies, while incomplete, highlight the potential extent of the problem. Table 1 summarises available estimates for some key ITTO producer countries of the percentage of wood that is being harvested illegally. These range from 90% in Cambodia to 34% in Ghana.

Illegal logging is not just a problem in tropical countries. For example, the Royal Canadian Mounted Police estimates that in British Columbia alone 200–320 million us dollars are lost annually from outright timber theft and fraud (Weatherbe 1998). In Russia, it has been estimated that at least 20% (and perhaps up to 50% in certain portions of the Russian Far East) of harvested wood is obtained illegally (Newell & Lebedev 2000).

Selected recommendations for fighting illegal logging

1. Develop and implement effective monitoring systems that include the use of log-tracking, remote sensing and field investigations.
2. Provide capacity building and training to communities, non-government groups and law enforcement agencies in various monitoring approaches and tools.
3. Develop regional data sharing programs to help identify problem areas that need to be targeted for enforcement.
4. Support and undertake research on the nature, extent, causes and impacts of illegal logging and on potential solutions.

Numbering numbers

Table 1: Summary of existing estimates for some ITTO producer countries

Country	Estimated percentage of wood harvested illegally	Source
Bolivia	80	Contreras-Hermosilla (2001)
Brazil (Amazon)	85	Greenpeace (2001)
Cambodia	90	World Rainforest Movement and Forest Monitor (1998)
Cameroon	50	Global Forest Watch Cameroon (2000)
Colombia	42	Contreras-Hermosilla (2001)
Ghana	34	Glastra (1995)
Indonesia	51*	Scotland (2000)
Myanmar	80	Brunner (1998)

*Other estimates for Indonesia are higher

Unfortunately, the figures given here were derived in various ways by various organisations and can only be considered very general assessments and, in some instances, 'best guesses'. Moreover, some figures—most notably that for Ghana—are dated. Much more research is required to identify the true extent of the problem and to develop methods to adequately detect illegal logging activities.

Using investigative, often undercover techniques, non-government organisations such as the Environmental Investigation Agency, Friends of the Earth, Global Forest Watch, Global Witness, Greenpeace, Telapak and TRAFFIC have played an important and useful role both in detecting illegal logging activities and in raising awareness of the issue.

The lack of reliable data is due partly to the fact that corrupt and illegal activities are conducted in secret and often in remote regions and are therefore inherently difficult to quantify. The range of illegal activities that can take place is great, making detection and monitoring difficult and placing a heavy burden on law enforcement agencies, which often lack the necessary capacity. Moreover, the political will to take action is sometimes absent; current efforts to combat the problem of forest crime are inadequate in the face of the apparent scope and scale of the problem.

The impacts of illegal logging

Illegal timber harvesting is a major threat to global forest resources and has serious negative economic, environmental and social impacts. No hard numbers exist but the various illegal and corrupt activities and their accompanying tax evasion are estimated to cost billions of dollars in foregone government revenues and market value each year (World Bank 2001). In the case of Indonesia, the loss of US\$600 million per year in unpaid taxes and royalties is four times what the government spends on the forest sector and twice what it spent in 2001 on subsidised food programs (Baird 2001). Other impacts include environmental degradation and socio-economic effects such as large-scale job losses and reduced access to materials that provide food and income for people living in the vicinity of the forest (Contreras-Hermosilla 2001). The availability of illegally

harvested wood also decreases the profitability of legally harvested timber and the industries that depend upon it.

What can be done to solve the problem?

International cooperation

Inter-ministerial meetings in Indonesia (September 2001) and Central Africa (slated for early 2003), as well as the international initiatives mentioned earlier, provide opportunities to combat the problem by highlighting it and, perhaps, by helping to create the political will to bring about change. Reforms to policy and legislation can be undertaken to help streamline forestry management and to reduce subsidies that may perversely encourage illegal or corrupt practices (see article p 10). However, on-the-ground assessments of illegal logging are also essential to document the scale of the problem, to track progress in addressing the issue, and to highlight where enforcement is still needed. An integrated approach that uses information obtained using a variety of tools and methodologies will be most effective.

Monitoring approaches

A core part of any illegal logging detection and monitoring program must be field investigations. Investigators require some basic baseline information, including on active concession allocations and pre-existing road networks. Field investigations are relatively inexpensive but are not comprehensive geographically or temporally.

Remote-sensing tools such as aerial over-flights, aerial photographs, and various types of satellite imagery can help detect a range of illegal logging activities. Use of these tools is usually much cheaper than ground surveys and has the advantage of greater spatial coverage, including in remote areas that may be difficult to inspect in the field. Access to other geo-referenced information is essential to help identify areas in which activities are not authorised.

The use of log-tracking systems offers an opportunity to tackle the problem on a more comprehensive basis. These allow the tracking of timber from its point of harvest through to its final destination. Different systems and tools are available to do this. Some non-government organisations have used low technology alternatives, such as ultraviolet

paint, to mark and track logs. High-tech systems usually involve a combination of databases, the physical tagging of logs, and some form of spot-checking to ensure the system is being implemented properly.

Audits of licences and concessions to ensure they have been issued in accordance with a country's legislation and regulations can help identify illegal and corrupt activities in the bureaucracies. For example, Global Forest Watch Cameroon (2000) conducted various assessments and found that over 50% of older timber concessions were operating illegally and that the legality of a majority of newly issued concessions could also be questioned. These types of approaches may help to identify where corruption is taking place but will not detect on-the-ground infractions.

Production and consumption statistics in a specific region or country can also be usefully deployed. One study of Indonesian data, for example, compared the 1997 and 1998 known legal supplies of wood (domestic legal production plus imports) with consumption (domestic use plus exports) and found that consumption exceeded the legally available supply by 32.6 million m³—over half the total domestic production of wood (Scotland 2000). This approach is best for detecting irregularities and imbalances in supply and demand and can help provide a sense of the overall extent of illegal logging in a given country. It is also possible to analyse trade data to obtain a general sense of where there may be an illegal logging problem (see article p 6).

The role of non-government organisations

Many organisations have a role to play in combating illegal logging. Donors, communities, governments and industry can work together and individually to create change. Using investigative, often undercover techniques, non-government organisations (NGOs) such as the Environmental Investigation Agency, Friends of the Earth, Global Forest Watch, Global Witness, Greenpeace, Telapak and TRAFFIC have played an important and useful role both in detecting illegal logging activities and in raising awareness of the issue (see 'Point of view' on p 32). NGOs such as these are able to act as watchdogs because they are generally independent of government and industry and have credibility with the public. They could also play an important role in training and building capacity in communities and forest law enforcement agencies because they have tremendous experience in the detection of illegal practices and often have invaluable links with local communities and organisations.

Concluding remarks

Illegal logging is a problem that must be addressed. Actions are required at both the national and international levels and must be coordinated to the greatest degree possible. Various sectors, from government to civil society, need to be involved in the monitoring and detection of illegal logging activities; some key recommendations are highlighted in

the box. The sharing of information between stakeholders and training in monitoring methods and technologies are both key steps. But solving illegal logging alone will not ensure the long-term sustainability of the forests or the forest industry. Any attempt to address illegal logging must be done within the context of overall sustainable forest management.

This article is a summary of key portions of a forthcoming report on illegal logging to be published by the World Resources Institute in May 2002. Contact the author for further details.

References

- Baird, M. 2001. Forest crime as a constraint on development. Presentation at the Forest Law Enforcement and Governance Conference held in Bali, Indonesia, September 2001.
- Brunner, J. 1998. *Logging Burma's frontier forests: resources and the regime*. World Resources Institute, Washington DC, USA.
- Global Forest Watch Cameroon 2000. *An overview of logging in Cameroon*. World Resources Institute, Washington DC, USA.
- Contreras-Hermosilla, A. 2001. *Forest law enforcement—an overview*. World Bank Working Series Paper. World Bank, Washington DC, USA.
- Glastra, R. 1995. *Cut and run: illegal logging and timber trade in the tropics*. International Development Research Center, Ottawa, Canada.
- Greenpeace 2001. *The Santarem Five and illegal logging – a case study*. Amazon Expedition 2001. Greenpeace.
- Newell, J. & Levedev, A. 2000. *Plundering Russia's far eastern taiga: illegal logging, corruption and trade*. Bureau for Regional Oriental Campaigns and Pacific Environment Resource Committee, Vladivostok, Russia.
- Scotland, N. 2000. *Indonesian country paper on illegal logging*. Paper prepared for the World Bank-WWF Workshop on Control of Illegal Logging in East Asia held in Jakarta on 28 August 2000.
- Weatherbe, S. 1998. Canada log thefts tally seen C\$500 million yearly. Reuters report.
- World Bank 2001. *A revised forest strategy for the World Bank Group*. World Bank, Washington DC, USA.
- World Rainforest Movement and Forest Monitor. 1998. *High stakes: the need to control transnational logging companies*. Forest Monitor, Cambridge, UK.