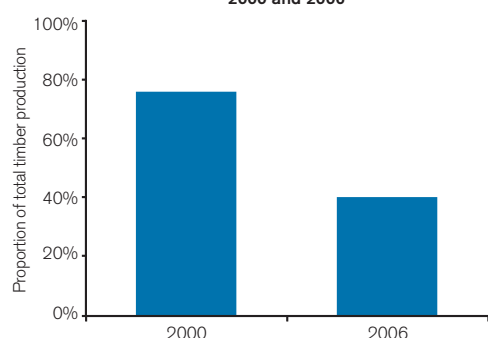


# Indonesia

## Chatham House illegal logging indicators country report card

Wood-balance estimates of illegal log production, 2000 and 2006



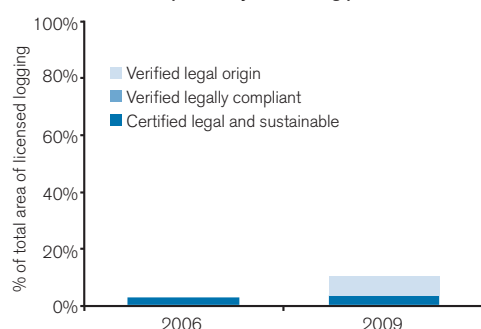
### Policy Assessment Results

(green = relatively good / red = poor)

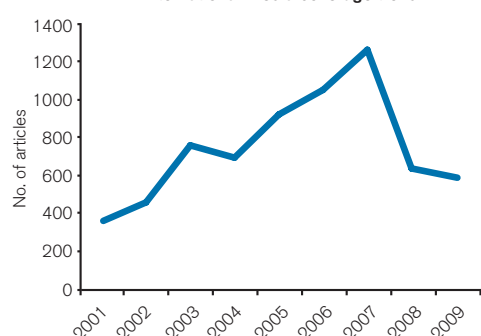
High-level policy	Orange
Legislative framework	Orange
Checks and balances	Yellow
International trade cooperation*	Red
Supply and demand	Yellow
Tenure and use rights*	Yellow
Timber tracking	Orange
Transparency	Red
Resource allocation*	Orange
Law enforcement	Orange
Information management	Red
Financial management	Orange

\*Because of the nature of the scoring method, the results for international cooperation give a more negative impression and those for tenure and resource allocation a more positive impression than they should.

### Independently verified log production



### International media coverage trend



### Levels of Illegal Logging

- Wood-balance analysis indicates that the illegal log harvest in Indonesia has fallen by 75% since a peak in 2000, but it still represents around 40% of timber production.
- Log smuggling to China has fallen by 92% since 2004.
- Experts surveyed recorded the second greatest improvement after Brazil among the five countries.
- Estimates of current illegal logging by survey respondents are higher than those from wood-balance analysis, suggesting that a lot of illegalities occur within licensed production volumes.
- General governance improvements and awareness-raising by NGOs have been important factors in reducing illegal logging, as have increased legal timber supplies from plantation forest.

### Government Response

- Enforcement effectiveness in Indonesia has increased substantially. Major crackdowns in 2005–06 resulted in large volumes of seizures.
- Experts surveyed noted greater recent improvement in government response than those surveyed for the other four producer countries.
- Enforcement follow-up has remained quite poor, however. Only a quarter of cases result in convictions.
- Indonesia also scored poorest of the five countries in terms of implementation of necessary laws, regulations and policies. There is great scope for improvement in all areas of policy.
- Conflicting and overlapping laws are a major problem, timber-tracking systems are poorly designed, and information management and transparency are poor.
- A number of policy improvements are under way, however, and Indonesia is engaged in formal negotiations with the EU to form a voluntary partnership agreement to tackle the problem.

### Private-sector Response

- The area of production forest independently verified as legal or sustainable trebled between 2006 and 2009, but at 10% remains lower than for Brazil, Cameroon or Malaysia and most of the recent increase has verified only that timber is from a licensed source, rather than compliance with all relevant laws.
- As in all the producer countries surveyed, action by smaller concessionaires and companies supplying less sensitive markets was felt by experts to have lagged behind.

### Media Attention

- Illegal logging in Indonesia receives the most international attention of the five countries examined, and media coverage increased fourfold between 2001 and 2007. Attention has declined dramatically in the last two years, however. Domestic attention remains high.

### Areas for Improvement

- Timber-tracking systems need further improvements, as do systems for allocating rights to harvest. A forest information management system of the standard seen in Brazil is urgently needed, and transparency needs to be improved.
- Further reductions in illegal logging will require greater use of technologies such as remote sensing and methodologies such as data analysis to detect illegal logging and timber smuggling.
- Enforcement follow-up needs to be improved, so that more cases result in convictions and the penalties applied are sufficiently dissuasive.
- The new legality assurance system under development should cover all production and exports.