Appendix 2

Terms of reference

Seminar

Integrated law enforcement efforts to combat illegal logging:

Using anti-corruption and anti–money laundering instruments in the forestry sector

Background

Indonesia is ranked eight among countries with extensive forest in the world, and the country with the third largest expanse of tropical forest after Brazil and the Democratic Republic of the Congo. The deforestation rate in Indonesia remains high, partly due to flaws in its forest management system. It has been documented that over more than two decades, approximately US $1 billion from 40 donor institutions have been invested in forestry assistance programs in Indonesia (World Bank 2006[i]). However, international assistance programmes that aim to improve the country's forest management have not yet achieved the hoped-for results.

Although the Indonesian Government has led several efforts to combat deforestation, donor funding has not achieved significant results, as measurements of tree cover demonstrate. Illegal logging activities have resulted in significant loss of tree cover for the country. Between 2004 and 2005, the Ministry of Forestry calculated that state financial losses from illegal logging reached 30 trillion rupiah per year.

Illegal logging and forest crime in Indonesia have reached a critical state. Not only have the operational modes become more sophisticated but crimes outside the forestry sector have become linked with the forestry sector. Prominent examples include recent corruption cases that are tied to forestry businesses. The significance of this issue is demonstrated by the government's efforts to combat judicial corruption, including in the forestry sector.

Learning from those cases, the use of nonforestry law enforcement has led to the arrest of suspected wrongdoers linked to forestry businesses without invoking the forestry legal instrument Law 4/1999. The KPK, Indonesia's anti-corruption commission, brought those cases to court using anti-corruption instruments instead. The KPK set a successful precedent in using one innovative law to overcome the flaws of Law 41/1999 to deal with criminal acts in forestry. The existence of KPK as a national agency has given new hope to actors working to eradicate corruption in the forestry sector.

Such initial successes suggest that legal enforcement efforts in the forestry sector require a more comprehensive approach, more than the implementation of Law 41/1999 can establish. A more integrated regulatory approach is needed to combat forest crime and forest-related crimes, including use of anti-corruption instruments including Law 7 of 2006 on Eradicating Criminal

Corruption and Law 15 of 2002 on Money Laundering Crimes. Legal management and use of forests can be strengthened by implementing these instruments.

CIFOR, the Center for International Forestry Research, has studied integrated law enforcement as a potential way to combat forest crimes. CIFOR is organising a seminar to discuss and to analyse issues in forest law enforcement including potential practices to overcome obstacles to arresting wrongdoers.

Seminar objectives

This seminar aims to:

a. Identify problems regarding efforts to enforce the law and to reduce state financial losses from the forestry sector by using instruments internally and externally, such as instruments of anti-corruption and anti–money laundering,
b. Discuss opportunities in enforcing the law and reducing state losses from the forestry sector,
c. Identify strategies for effective law enforcement.

Expected output

One perception amongst related parties regarding the importance of synergy between forestry and non forestry instruments in regulating the forestry sector, as well as the commitment to establish a more effective law enforcement strategies.

Organising committee

CIFOR is organising the event in cooperation with the Corruption Eradication Commission of Indonesia (Komisi Pemberantasan Korupsi or KPK).

Time and venue of the Seminar

This seminar will be held 29 June 2010 at the Sari Pan Pasific Hotel, Jalan MH. Thamrin, Jakarta.

Participants

Participants of the seminar are representatives from law enforcement agencies, the Ministry of Forestry, financial intelligence agencies, audit institutions, banks, universities, NGOs working on issues of forestry and corruption and donors. Participants include:

1. The Supreme Court (Mahkamah Agung)
2. Attorney General's Office of Indonesia (Kejaksaan Agung Republik Indonesia)
3. The Central Bank of Indonesia

4. The Supreme Audit Board (Badan Pemeriksa Keuangan, BPK)
5. Police Criminal Investigation Department of Indonesia (Badan reserse kriminal - Bareskrim Kepolisian Republik Indonesia)
6. The Corruption Eradication Commission of Indonesia (Komisi Pemberantasan Korupsi, KPK)
7. Directorate General of Forest Production Development, Ministry of Forestry (Direktorat Jenderal Bina Produksi Kehutanan, Kementrian Kehutanan)
8. Directorate General of Forestry Planning, Ministry of Forestry (Direktorat Jenderal Planologi, Kementrian Kehutanan)
9. Directorate General of Forest Protection and Natural Conservation, Ministry of Forestry (Direktorat Jenderal Perlindungan Hutan dan Konservasi Alam, Kementrian Kehutanan)
10. Inspectorate General of the Ministry of Forestry (Inspektorat Jenderal Kementrian Kehutanan)
11. Ministry for the Environment (Kementrian Lingkungan Hidup)
12. The Indonesian Financial Transaction Reports and Analysis Center (Pusat Pelaporan dan Analisis Transaksi Keuangan)
13. Regional Forest Department of Riau Province (Dinas Kehutanan Propinsi Riau)
14. Regional Forest Department of East Kalimantan Province (Dinas Kehutanan Propinsi Kalimantan Timur)
15. Regional Forest Department of West Kalimantan Province (Dinas Kehutanan Propinsi Kalimantan Barat)
16. Regional Forest Department of Papua Province (Dinas Kehutanan Propinsi Papua)
17. State Attorney of Riau Province (Kejaksaan Tinggi Propinsi Riau)
18. State Attorney of East Kalimantan Province Kejaksaan Tinggi Propinsi Kalimantan Timur
19. State Attorney of Papua Province Kejaksaan Tinggi Propinsi Papua
20. Regional Police of Riau Province (Kepolisian Daerah Propinsi Riau)
21. Regional Police of East Kalimantan Province (Kepolisian Daerah Propinsi Kalimantan Timur)
22. Regional Police of Papua Province (Kepolisian Daerah Propinsi Papua)
23. Communication Forum of the Director of Banking Compliance (Forum Komunikasi Direktur Kepatuhan Perbankan, FKDKP)
24. Foreign Bank Association in Indonesia
25. Mandiri Bank
26. Bank of Central Asia
27. University of Indonesia
28. Trisakti University

29. Bogor Agricultural University (Institut Pertanian Bogor)
30. Telapak
31. Indonesian Corruption Watch (ICW)
32. Indonesian Center for Environmental Law (ICEL)
33. Transparency International (TI)
34. WWF-Indonesia
35. The Nature Conservancy (TNC)
36. Jikalahari
37. Natural Resources Law Institute (IHSA-East Kalimantan)
38. RACA Institute
39. Greenomics
40. Norwegian Embassy
41. United States Agency for International Development
42. Australian Agency for International Development
43. World Bank

[i] World Bank, 2006. Sustaining Indonesia's Forest : Strategy for the World Bank 2006 -2009, World Bank Publication in June