14th IACC RESTORING TRUST: GLOBAL ACTION FOR TRANSPARENCY

Follow the Money to Curb Forest Crime

Workshop Abstract

Coordinator: Anna Christina Sinaga, Research Officer, Center for International Forestry Research

Illegal logging and other forest crimes have reached a critical state. Not only have the operational modes become more sophisticated, but they also involve crimes outside the forestry sector, such as corruption and money laundering. Prominent examples include recent corruption cases tied to forestry businesses. Such cases mostly involve senior officials or members of parliament who are very difficult to apprehend using forestry law. Past experience has indicated that forest agencies alone cannot effectively address issues of financial and forest crimes. The scale of the problem requires the involvement of multiple agencies and actors and the application of sectoral and extra-sectoral instruments to curb corruption and fraud. It also requires that forest finance schemes implement good governance principles.

As part of section 2 on Fuelling Transparency & Accountability in the Natural Resources & Energy Markets, the workshop will focus on corruption and money laundering in the forestry sector and ways to combat them. The topics include identification of corruption trends and loopholes in the law governing the forestry and financial sectors, the role of actors inside and outside the forestry sector, and international cooperation to tackle transnational money-laundering and corruption in the forestry sector.

Moderator: D. Andrew Wardell, Director of Forest Governance Program, Center for International Forestry Research

Rapporteur:
Victor Soosai, Transparency International Malaysia
Sofi Mardiah, Research Assistant, Center for International Forestry Research

Panellists:
Ahmad Dermawan, Researcher, Center for International Forestry Research
Topic of discussion**:** financial governance of Indonesia's reforestation fund, modes of corruption in the management of this fund and suggestions on how to avoid the recurrence of such practices in the future.

Peter Larmour, Associate Professor, Crawford School of Economics and Government, Australian National University

Topic of discussion: explore the contribution of corruption to deforestation and present a global analysis on how corruption plays part in deforestation and propose ways on how corruption should be tackled to halt deforestation.

Mr. Mochammad Jasin, Commissioner of Corruption Eradication Commission of the Republic of Indonesia
Topic of discussion: highlighting two corruption cases in Indonesia's forestry sector, focusing on the use of anti-corruption law and some lessons learned in dealing with corruption in the forestry sector.

Julie Walters, Research Analyst, the Australian Institute of Criminology
Topic of discussion: the role of commercial banks in combating forestry corruption in South East Asia, especially on the role of banks to monitor the flows of money and to act as reporting parties for suspicious transactions related to forest business.

Ajit Joy, Country Manager, United Nations Office on Drugs and Crime
Topic of discussion**:** highlight the forms of transnational crimes in the forestry sector and international collective action to respond to these crimes.

Dato' Sri Abu Kassim, Chief Commissioner of Malaysia Anti Corruption Commission of Malaysia
Topic of discussion: highlight the importance of collaborative actions with relevant agency and the operating structures involved. The value of information sharing and success stories in collaborative actions

Manoj Nadkarni, Programme Manager, Forest Governance Integrity Programme, Asia Pacific Department (Transparency International)
Topic of discussion: highlighting the Forest Governance Integrity (FGI) programme by Transparency International and development of Anti Corruption Tools and Mechanisms. The identification processes of major risk areas and the risk management planning and advocacy processes