Workshop title: Follow the Money to Curb Forest Crime
Name: Dato' Sri Abu Kassim bin Mohamed
Organisation: Malaysian Anti-Corruption Commission (MACC)
Global challenge:

The forest sector is particularly vulnerable to problems of poor governance. Logging requires a low minimum level of investment – a chainsaw and some transport – but the value of the product is high. Forests are therefore vulnerable to exploitation of both the resource itself and local populations, who may have few other livelihood options. In a downward spiral, poor governance allows corruption, fraud and organised crime to flourish through illegal logging and associated trade. The consequences of are well known: unsustainable forest exploitation and resulting environmental damage, social disruption, at times leading to human rights abuses and conflict, and downward pressure on timber prices.

The legality or illegality of timber extracted more often than not relates to the definition of legality of tenure, rights and benefits of the indigenous people. In Malaysia forest policies are made at the state level, i.e., the respective state governments have jurisdiction over land and forest, including the power of disposal. In theory, this means that forests are public lands administered by the states. Therefore the state defines timber taken without official permission and without rent as illegal. This aspect forms the bulk of MACC operations resulting in seizures of illegally logged timber and arrests of loggers in attempts to bribe enforcement officials including MACC officers at the site.

Forest crimes of various kinds are universal in many parts of the world and often involve troupe in both producer and consumer countries. The World Bank estimates the market value of global annual losses from illegal cutting of forests in public lands at over USD10 billion-more than eight times the total official development assistance flows for the sustainable management of forests. Corruption - another symptom of weak forest sector governance – is evident in the form of bribes, extortion and most sinister of all, the corrosion of institutions beyond the sector and across the economy. No doubt about USD5 billion per year is estimated to be lost.

Fighting corruption in forestry could not be the sole responsibility of MACC but a concerted effort by all other enforcement agencies, State authorities, International bodies (NGOs/ "greenies/Press expose/Industry Corporations). MACC or any other anti-graft bodies can but do its bit in arresting only those involved in corruption with hard evidence. Co-operation by the international communities (EU, China, and Japan- our biggest consumers of timber products) can make impact by ensuring that logs/timber product imported to their economies are not "laundered" as Malaysia origin is certainly most welcome.