

## Transparency International Asia Pacific Asia Pacific Forestry and Corruption Programme Development Workshop

25<sup>th</sup> - 27<sup>th</sup> July 2007, Viengtai Hotel, Bangkok, Thailand

### Workshop Description & Agenda

#### Rationale

Transparency International Asia Pacific serves as the regional outreach body of the TI global, civil society-based anti-corruption movement. Through a coalition-building approach, TI Asia Pacific works to develop, facilitate, coordinate and manage regional programmes and support local level anti-corruption work through TI's National Chapters and Partners. Successful regional programmes have involved advocacy, research, monitoring and capacity building and training for regional and local stakeholders. Priority areas include political corruption, judicial corruption, public procurement, private sector corruption, corruption in the health sector, corruption and environmental sectors, measuring corruption, anti-corruption education and anti-corruption instruments.

TI Asia Pacific recognises the serious need to work with other stakeholders in the global movement to protect the earth's environment. The goal is to contribute to and support environmental and social movements by providing TI's expertise in combating corruption through tested tools, best practices and anti-corruption support networks.

TI Asia Pacific agreed with TI National Chapters in the region to develop a new programme focusing on forestry and corruption in November 2007. Corruption contributes to the depletion of natural forests and ecosystems, illegal logging and forestry mismanagement that have serious environmental and social consequences. Corruption reflects a failure of the national and international governance frameworks on the management of forests and trade in forest produce. Corruption occurs domestically and at cross-border situations with a significant volume of the supply and demand side of the illegal log trade occurring within the region<sup>1</sup>.

To effectively address corruption in forestry supply chains, TI Asia Pacific agreed that a regional programme be developed. The Forestry and Corruption Programme has since been outlined in a draft concept note. Building on the conclusions and recommendations of this Workshop, the Programme will be elaborated and funding will be sought for implementation.

#### Workshop Objectives

To inform and develop the content of TI Asia Pacific Forestry and Corruption Programme

To discern and reach consensus among stakeholders on what and how priority corruption issues are to be addressed in the Programme

To develop partnerships/alliances among stakeholders

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<sup>1</sup> Japan, China and South Korea, together account for some 80 per cent of all regional imports in wood products and timber. Estimates of illegal production of both hardwood and softwood in China are as high as 30 per cent. Illegal timber felling is estimated at up to 60 per cent of production in Indonesia, and 5 per cent of production in Malaysia. Illegal timber fellings supply local markets but also find their way across country borders. Due to the difficulty of verifying the origin of timber, several countries are significant importers of timber of illegal and suspicious origin. As wood is processed the difficulty of verifying the origin of the constituent timber increases. Up to 35 per cent of imports of timber into China are estimated as being of illegal origin and, in Japan, 20 per cent of hardwood logs, 30 per cent of hardwood timber and 40 per cent of plywood are thought to have illegal origins. Similarly, as much as 70 per cent of Malaysian log imports may be of illegal origin. Source: UNESCAP: *State of the Environment in Asia and the Pacific 2005*.

## **Transparency International Asia Pacific Asia Pacific Forestry and Corruption Programme Development Workshop**

### **Regional Focus**

Cambodia, China, Indonesia, Malaysia, PNG, Philippines, Solomon Islands, Thailand, and Vietnam

### **Participation**

Individual experts, representatives of local or international organisations and enterprises with advanced professional and/or academic experience in working on forestry and corruption related issues are welcome to participate. Interested persons should share willingness to contribute to the Workshop objectives. As space is limited, expressions of interest should be communicated to [lelges@transparency.org](mailto:lelges@transparency.org) in advance. Only registered participants will be admitted.

### **Venue**

The Workshop will be held at the VIENGTAI Hotel located in the old historical district of Bangkok near the Khaosarn Road. For contact information and a hotel area map , please see the hotel's website: <http://www.viengtai.co.th/about.html>

### **Contact Information**

The Workshop is organised by the Transparency International Asia Pacific Regional Programme in coordination with Transparency Thailand. For more information, please contact Ms. Lisa Ann Elges, TI Asia Pacific Senior Programme Coordinator  
[lelges@transparency.org](mailto:lelges@transparency.org)

**Transparency International Asia Pacific  
Asia Pacific Forestry and Corruption Programme Development Workshop**

**25<sup>th</sup> July , 19:30**

**Welcome Dinner for Workshop Participants  
and Friends of the Asia Pacific Forestry and Corruption Programme**

**AGENDA: Day One - Morning**

**26<sup>th</sup> July 2007**

| Time           | Session  |
|----------------|--|
| 09:00<br>09:30 | <p><b>Session 1: Plenary</b></p> <p>Workshop Introduction: Rationale, Objectives, Framework and Participation</p>  |
| 09:30<br>10:45 | <p><b>Session 2: Working Groups</b></p> <p><b>Identifying corruption priority areas</b></p> <p>Objective:<br/>To identify 3-5 programme priority areas where corruption is most problematic in the Forestry Sector</p> <p>Method:<br/>In working groups, participants identify programme priority areas in reference to the <i>corruption in forestry matrix</i> attached below and by considering, <i>inter alia</i>:</p> <ol style="list-style-type: none"> <li>(1) <u>Frequency</u> (where does corruption occur most often in the forestry sector?),</li> <li>(2) <u>Economic impact</u> (where do the greatest financial “gains and losses occur – in terms of national revenues and corporate expenditures?”),</li> <li>(3) <u>Threats to governance</u> (how likely is it that state institutions (e.g. legislature, government agencies, law enforcement, judiciary) are undermined by corruption to execute their functions according to good governance and the rule of law?),</li> <li>(4) <u>Corruption stopper effect</u> (what particular corrupt activity could be stopped to have a spill-over effect of inhibiting other corrupt activities occurring in the life of the log?) and</li> <li>(5) <u>Environmental impact</u> (what acts of corruption, petty or grand, have the most devastating effects on the environment?).</li> </ol> <p>Through deliberation, participants seek to identify priority areas which are common to the greater number of focus countries.</p> |
| 10:45<br>11:15 | <p><b>Coffee Break and Short Film</b></p>  |
| 11:15<br>12:00 | <p><b>Session 2 continued: Corruption Priorities</b><br/>(continuation of working group discussions)</p>   |
| 1200<br>13:00  | <p><b>Session 3: Plenary</b></p> <p><b>Report Back on Session2 Work Group Discussions</b></p> <p><b>Adoption of 3-5 Priority Areas of Anti-Corruption Reform Work</b></p>  |

**Transparency International Asia Pacific  
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**AGENDA: Day One - Afternoon**

**26<sup>th</sup> July 2007**

| <b>Time</b>    | <b>Session</b>   |
|----------------|--|
| 13:00<br>14:00 | <b>LUNCH</b>   |
| 14:00<br>14:30 | <b>Special Presentation: Case study on Corruption in the Life of a Log</b>   |
| 14:30<br>15:30 | <p><b>Session 4: Working Groups</b></p> <p><b>Anti-Corruption Reforms: Articulating Changes</b></p> <p>Objectives:<br/>To consider reform actions, taking into account ongoing and planned reform efforts by stakeholders, needed to address the priority areas identified in Session 2</p> <p>To identify the target groups which need to change, which can implement change and which will benefit from the change and their respective capacities and capacity needs to do so.</p> <p>Method: In working groups, participants discuss appropriate reform activities which would effectively address the priority corruption areas agreed in Session 2 and 3. They analyse the role of key stakeholders and their capacities to implement and/or undergo (be receptive to) changes. The discussion includes stating who would benefit most from the reform efforts. The groups also examine the existing and needed capacities of the different change agents.</p> |
| 15:30<br>16:00 | <b>Coffee Break</b>  |
| 16:00<br>17:30 | <p><b>Session 5: Working Groups</b></p> <p><b>Anticorruption methods and tools to support changes</b></p> <p>Objective:<br/>To discuss and suggest anti-corruption tools/methods for civil society to support reforms articulated in session 3.</p> <p>Method:<br/>Participants consider what measures or tools civil society groups can employ to effectively and appropriately stem corruption in Forestry – taking into account the priority issues, reform and stakeholders in the different country situations? Opportunities and challenges for Reporting, Monitoring, Risk Mapping, Capacity Building, Training and Advocacy Work. For reference, TI Tool descriptions are distributed in advance: Integrity Pacts; business principles, ALAC models, Codes of Conduct, Risk maps</p>   |
| 17:30<br>17:40 | <b>Closing Day One, Announcements</b>  |
| 20:00          | <b>Networking Dinner</b>   |

**Transparency International Asia Pacific  
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**AGENDA: Day Two - Morning**

**27<sup>th</sup> July 2007**

| <b>Time</b>    | <b>Session</b>  |
|----------------|---|
| 09:00<br>09:30 | <p><b>Session 6: Plenary</b></p> <p><b>Report Back Session from Day One, Afternoon Session</b></p>  |
| 09:30<br>11:00 | <p><b>Session 7: Roundtable</b></p> <p><b>Standard setting instruments and agreements</b></p> <p>Objective:<br/>To review and understand multi/bilateral agreements and processes which civil society can promote as advocacy and monitoring tools to effect reforms suggested in Session 3</p> <p>Method:<br/>Participants representing or being experts on e.g. FLEGT, UNCAC, the ADB/OECD Anti-Corruption Action Plan, the World Bank, APEC, ASEAN, the ADB, UNDP, WWF, and Commercial/Trade organisations give a 5-8 minute presentation on the strengths and weaknesses to address corruption in the forestry sector of the respective instruments or processes. They suggest recommendations for reform and cooperation with civil society.</p> |
| 11:00<br>11:30 | <p><b>Coffee Break</b></p>  |
| 11:30<br>13:00 | <p><b>Session 8: Working Groups</b></p> <p><b>Making international, regional and national anti-corruption instruments, agreements and processes work</b></p> <p>Objective:<br/>To discuss and clarify the particular roles of civil society organisations have in contributing to the various international, regional and national frameworks and in employing them as effective monitoring, reporting, and advocacy tools</p> <p>Method:<br/>Applying the information learned in session 6, participants consider and identify concrete ways they can contribute to and gain from international, regional and national anti-corruption instruments, agreements and processes.</p>  |
| 13:00<br>14:00 | <p><b>Lunch</b></p>   |

**Transparency International Asia Pacific  
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**AGENDA: Day Two - Afternoon**

**27<sup>th</sup> July 2007**

| Time                        | Session   |
|-----------------------------|---|
| 14:00<br>15:30              | <p><b>Session 9: Working Groups</b></p> <p><b>Capacities, Partnerships, Networking and Resources</b></p> <p>Objectives:</p> <p>To articulate the capacity and resource needs/strengths of potential Programme implementing organisations.</p> <p>To explore the creation of partnerships and/or networks to achieve reform efforts of Session 3 and to implement tools discussed in sessions 4 and 6</p> <p>To articulate interests, capacities, resources and expertise related to “who does what” under the merging TI Asia Pacific Forestry and Corruption Programme.</p> <p>To provide an estimate on the financial and material resources required to start up and implement the Programme.</p> <p>To consider possible sources of funding to support the vehicles of and for reforms.</p> <p>Method:</p> <p>Participants form working groups to discuss and find solutions to the questions inherent in the objectives of this Session.</p> |
| 15:30<br>16:30              | <p><b>Session 10 : Plenary</b></p> <p><b>Closing Session: Meeting wrap-up</b></p> <p>Follow-up Actions</p> <p>Conclusions and recommendations</p>   |
| <b>Networking Reception</b> |   |

**Matrix A : Where corruption occurs in Forest Sector in Asia Pacific Focus Countries**

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**Matrix B: Illegal Forestry Practices facilitated by Corruption in Asia Pacific Countries<sup>2</sup>**

| Illegal Forestry practices/<br>Country   | Cambodia | China | Indonesia | Laos | Malaysia | PNG | Philippines | Solomon<br>Islands | Thailand | Vietnam |
|--|----------|-------|-----------|------|----------|-----|-------------|--------------------|----------|---------|
| Logging Protected Species  |          |       |           |      |          |     |             |                    |          |         |
| Counterfeit duplication of felling<br>licences   |          |       |           |      |          |     |             |                    |          |         |
| Girdling or ring-barking to kill<br>trees so that they can be legally<br>logged                                    |          |       |           |      |          |     |             |                    |          |         |
| Contracting with local<br>entrepreneurs to buy logs from<br>protected areas  |          |       |           |      |          |     |             |                    |          |         |
| Logging in protected areas   |          |       |           |      |          |     |             |                    |          |         |
| Logging outside concession<br>boundaries   |          |       |           |      |          |     |             |                    |          |         |
| Logging in prohibited areas such<br>as steep slopes, riverbanks and<br>water catchments                            |          |       |           |      |          |     |             |                    |          |         |
| Removing under/over sized trees<br>from public forests   |          |       |           |      |          |     |             |                    |          |         |
| Extracting more timber than<br>authorised  |          |       |           |      |          |     |             |                    |          |         |
| Passing off logs extracted from<br>unauthorised areas outside the<br>concession boundaries as legally<br>harvested |          |       |           |      |          |     |             |                    |          |         |
| logging without authorisation  |          |       |           |      |          |     |             |                    |          |         |
| Obtaining logging concessions<br>through bribes  |          |       |           |      |          |     |             |                    |          |         |
| Transporting logs without<br>authorisation   |          |       |           |      |          |     |             |                    |          |         |
| Transporting illegally harvested<br>timber   |          |       |           |      |          |     |             |                    |          |         |
| Smuggling timber   |          |       |           |      |          |     |             |                    |          |         |
| Falsifying or reusing timber<br>transport documents  |          |       |           |      |          |     |             |                    |          |         |
| Exporting and importing tree<br>species banned under<br>international law  |          |       |           |      |          |     |             |                    |          |         |
| Exporting and importing timber in<br>contravention of national bans  |          |       |           |      |          |     |             |                    |          |         |
| Declaring lower volumes and  |          |       |           |      |          |     |             |                    |          |         |

<sup>2</sup> Kashor, Nalin and Damania, Richard. Crime and Justice in The Garden of Eden: Improving Governance and Reducing Corruption the Forestry Sector. The Many faces of Corruption. The World Bank, 2007. Annex 3A pp. 109-110.



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