

Customs and Law Enforcement Workshop on Promoting Cooperation among Customs Authorities and Other Relevant Agencies in East Asia to Reduce the Trade of Illegal Wood Products

28-30 November 2005
Cebu, Philippines

Overview

The conference in Cebu was convened over two days, 28-30 November 2005. It was cofunded by the World Bank, DFID and GTZ. Attendees included: representatives from [16? check final number with Chen] countries, including the Philippines, Malaysia, Indonesia, Japan, China, United Kingdom; non-government organizations; and multilateral organizations, including The World Bank, ITTO and RILO. Speakers covered a wide range of topics as follows:

- an overview of forest law enforcement and illegal timber trade;
- an overview of customs clearance process, including import, export, and transshipment;
- the role of customs laws and agencies in addressing illegal timber;
- challenges in using customs laws and agencies to address illegal timber trade;
- recommendations and steps towards stronger enforcement of customs laws relating to timber trade;
- country reports by each of the participating countries; and
- ongoing and new initiatives to address illegal timber trade.

Formalization of Working Group

The most important recommendation of the RI delegation, and the first step to be taken, is to establish a formal inter-agency working group as a forum for considering and recommending reforms and initiatives in addressing illegal timber trade. The informal, inter-agency working group that prepared the materials for the workshop in Cebu is a major precedent for Indonesia on this issue, and formalizing and even expanding the group to include other relevant agencies would continue the momentum that Indonesia's effort has already created.

It is recommended that the working group consist of representatives from the following departments:

- Ministry of Forestry
- Ministry of Finance (Customs)
- Ministry of Trade
- Ministry of Transportation (Port Authority)

Recommendations for Next Steps

Both the RI delegation, and the workshop as a whole, have proposed recommendations for moving forward to address illegal timber trade. First and foremost is the establishment of a formal inter-agency working group on timber trade, as mentioned above. This memorandum recommends several other additional activities, which the RI delegation believes can be implemented immediately and efficiently, with little cost or delay. Additional recommendations are further identified in the Report of the Delegation prepared for the Cebu conference. These recommendations are consistent with Presidential Regulation No. 5/2005 and the 10-Step Program. The recommendations fall into four broad categories: improving coordination among government agencies; improving the approval process for timber products and exports; improving enforcement efforts relating to smuggling; and addressing activities of importing countries.

Improve coordination among government agencies:

1. Formalize the inter-agency working group, to provide for policy recommendations and coordination.
2. Seek formal agreement among agencies to share electronic data and information based on Custom's Electronic Data Interchange System. This system is already used in 11 International Ports in Indonesia.
3. Provide training of customs and other officials regarding the ability to recognize illegal timber. This activity, in the form of field visit by customs officials, is already being planned.

Improve the approval process for timber products and exports:

1. Require that BRIK evaluate the authenticity of the documents used to issue its endorsement for the EPTIK. Currently, BRIK only receives copies of permits, and evaluation whether these documents are accurate and correct would reduce illegal timber trade.
2. Establish third-party verification to review endorsement by BRIK and customs permit. This would enable other interested stakeholders to work with BRIK to assist endorsement process.
3. Allow public access of materials in providing BRIK endorsement and other permits. This would improve transparency and accountability in timber trade.

Improve enforcement efforts relating to smuggling:

1. Reduce burden for physical inspections of timber exports in the event of reasonable suspicion of illegal timber. Authority under

Article 4 of Law No. 10/1995 already exists but is used in limited circumstances.

2. Establish enforcement task force to conduct patrols throughout Indonesia's Exclusive Economic Zone.

Address activities of importing countries:

1. Require importing countries to declare illegal all imports that are illegally produced or shipped from exporting countries. This requirement already exists in all of the bilateral agreements signed by Indonesia and its timber trading partners, but has still to be implemented.
2. Write a request to RILO to assist in improving awareness and training among regional customs agents in transshipping and importing countries. In particular, RILO can inform Indonesia's trading partners that Indonesian exports of round wood is prohibited, so that no country should accept round logs that are supposedly from Indonesia.
3. Use existing bilateral agreements to improve awareness and training of among customs agents in transshipping and importing countries.
4. Require that exporting permits have attached to them only Bill of Lading and Certificate of Origin but also Customs Export Declaration Form. Customs at importing counties should be required to check documents from exporting country, including he Bill of Lading, Certificate of Origin, and the Export Declaration Form.