



Norad

INTERPOL Project LEAF 2013 -2015

Climate and Forest Initiative funding scheme for civil society

1. General Project Information:

1.1 Name of recipient organisation:

Environmental Security Programme, INTERPOL General Secretariat (*project leader/project lead institution*)

Rapid Response Unit, United Nations Environment Programme at GRID Arendal, Norway

1.2 Reporting year:

2013-2015 (including agreed no-cost extension of the Project until June 2016)

1.3 Agreement Number:

QZA-0294 QZA-12/0860

1.4 Name of project:

Project LEAF (Law Enforcement Assistance for Forests)

1.5 Country and region in the(se) country if applicable:

Global – with particular focus on timber producing countries in Latin America, Africa and Asia-Pacific and on timber-importing countries with legislation prohibiting the import of illegal timber (EU member countries, Norway, Switzerland, Australia and the United States).

1.6 Financial support to the project from Norad for last calendar year 2015:

NOK 6,498,250

1.7 Thematic area:

Thematic category 3. Analysis, concept and methodology development that contribute to sustainable planning and implementation of REDD+

2 Please describe the project's progress for the whole grant period

2.1 Please repeat the **project's target group(s)** and the baseline for the target group at the start of the project (from the approved project document).

Project LEAF's Target Group:

Project LEAF is a global project with the objective of strengthening the capacity of **law enforcement agencies** to tackle illegal logging, illicit timber trade and related-forestry crime. The primary target group in timber-producing countries is law enforcement authorities in Latin America, Africa and Asia-Pacific. In timber-importing countries, the primary target group is law enforcement authorities in Europe, USA and Australia, responsible for enforcing legislation prohibiting the import and trade in illegally-sourced timber.

Baseline of the Target Group at the start of the project:

Prior to the commencement of this Project, several pilot studies at both the general and specific scale provided an emerging overview of the extent of illegal logging, estimated at 50-90% of the volume in key countries and 15-30% globally. The extent of illegal logging is summarized in the INTERPOL and UNEP report *Green Carbon, Black Trade*, and the INTERPOL and World Bank report, *Project Chainsaw: An INTERPOL perspective on law enforcement in illegal logging*.

INTERPOL's report, *Assessment of Law Enforcement Capacity Needs to Tackle Forest Crime* (published June 2013), includes information received from the target groups in the form of evaluation forms, as well as independent research and assessments. The report suggests a number of key countries have poor knowledge of the use of the INTERPOL policing capabilities in tackling crime, and that many forest law enforcement agencies have a poor grasp of fundamental principles necessary for law enforcement operations. INTERPOL member countries expressed the need for training on information collection and management and investigative skills focused on forestry crime enforcement action. In addition, INTERPOL identified a lack of coordination between the law enforcement agencies in the targeted countries, especially between police, customs, forestry authorities, and specialised crime units.

When the Project commenced there was poor knowledge among forestry law enforcement agencies on the use of INTERPOL's tools and services, and little engagement between countries through the INTERPOL network on forestry crime matters. The Project, therefore, commenced with a programme of initiating engagement, conducting needs assessments, and awareness raising among law enforcement. It was not possible at that time to set baselines or indicators for the Project, until INTERPOL's member countries had initiated engagement with INTERPOL and established their own strategies for international cooperation.

As highlighted in the 2014 communication of Norad (Ref No. 1201411-56), INTERPOL acknowledges that the lack of a baseline at the beginning of the Project has made it difficult to monitor the implementation of the Project.

To address this in future reports a clear baseline was set for the 2016-2020 funding stream.

2.2 Please repeat the project's **desired impact** (from the approved project document).

The Project will contribute to improving law enforcement capacity and effectiveness of tackling illegal logging and forestry crime. The Project will build the governance and enforcement framework to support the successful implementation of REDD+. This will also generate donor and investor confidence in the REDD+ mechanism.

Increase in number of arrests and seizures

Since 2013, the total quantity of timber seized during the completed operations (Operation Putumayo I and II, Operation Amazonas I and II, Operation Red Eye, Operations PAWS II, LEAD II, Wildcat and Log) was estimated at 1,025,429 cubic meters. Compared to the volume of timber seized in 2012, the results are 200 times greater. The successful results of these operations were due to the targeted training programmes and operational support that Project LEAF provided to the participating countries before, during and at the conclusion of the operations.

While the number of the arrests in 2012 alone (200) was impressive compared to the number of the arrests between 2013 and 2015 (349 arrests), the quality of the arrests has been enhanced. In 2012, 85% of the arrests were low level criminals, usually including loggers and truck drivers. Few middle level and no high level criminals were arrested.

Increased recovery of revenue by governments from their forestry sector

According to the latest Global Forest Resources Assessment 2015 report, the forestry sector contributes about USD 600 billion annually to global GDP and provides employment to over 50 million people. A well-regulated forestry sector is, therefore, important to overall global economic health.

In 2015, Project LEAF estimated illegal logging to be worth between USD 51-152 billion per year. This is revenue stolen from timber producing countries; many of which are economically developing countries. Illegal logging is seriously undermining those countries' ability to use their natural resources to meet their long term development objectives. Investing in law enforcement resources to tackle forestry crime can help recover this revenue. According to a research study conducted by Chatham House, for every dollar invested to build law enforcement capacity to tackle illegal logging, additional revenue of between USD 2 and USD 6 can be recovered by the government.¹ Supporting governments in this way can both raise the profile of forestry crime and prioritise government investment in law enforcement, while concurrently supporting broader development objectives.

Between 2013-2016, Project LEAF supported law enforcement efforts and capacity building in many timber-producing countries. It is to be expected that this capacity building would result, therefore, in increased forest rents being recovered by governments and contributing to their national GDP. (It is understood that other factors would have also contributed to potential GDP growth or decline.)

¹ See Sam Lawson and Larry MacFaul *Illegal Logging and Related Trade: Indicators of the Global Response* (Chatham House, July 2010) at p. xviii. Available at: http://www.chathamhouse.org/sites/default/files/public/Research/Energy,%20Environment%20and%20Development/0710pr_illegallogging.pdf

According to World Bank statistics, increased recovery of revenue by governments from their forestry sector was seen over this period:

<i>GDP</i>	<i>Forest Rents (as % of GDP)</i>		<i>Forestry Market</i>
Country	2012	2015	Growth in Forestry Market
Peru	0.161%	0.216%	32%
Brazil	0.468%	0.678%	4%
Colombia	0.129%	0.202%	24%
Ecuador	0.340%	0.370%	24%
Indonesia	0.419%	0.488%	9%
Cambodia	2.463%	2.029%	6%
Myanmar	3.204%	3.552%	16%
Laos	3.807%	4.975%	73%
Vietnam	0.842%	0.752%	11%
Mali	3.028%	4.242%	44%
Togo	7.014%	8.593%	30%
Côte d'Ivoire	3.244%	3.267%	18%
Senegal	3.042%	3.931%	24%
Burkina Faso	8.189%	11.17%	30%
Benin	5.341%	6.721%	28%
WORLD	0.170%	0.202%	18%

Long term reduction in overall rates of deforestation that can be attributed to reducing illegal activity

In the midst of an era with increasingly widespread environmental crises, it is true that several countries are facing devastating deforestation. Reducing deforestation rates is vital to mitigating global climate change, sustaining biodiversity and upholding livelihoods. As world population growth continues to grow exponentially, forests are increasingly logged for timber or converted to agricultural land.

However, according to the FAO publication *The Global Forest Resources Assessment 2015*², net global deforestation has decreased by more than 50 percent over the past 25 years. The assessment duly notes, that this global net decrease in deforestation is partly attributed to improvement of forest management and protection, which includes policy and legislation enforcement and forest

² Source: <http://www.fao.org/3/a-i4808e.pdf>

resource monitoring. In addition to countries increasing enforcement of forest protection and management, there has been a notably greater involvement of local communities in planning and developing policies. We are very pleased with the net global decrease of deforestation, but at Project LEAF we will continue to recognize the issue of deforestation and illegal logging on a country by country basis.

2.3 Is the project still relevant for the desired impact? (Yes/No) If No, please give a short explanation.

Yes

2.4 **Main outcome(s)**

- a) Please repeat the project's planned outcome(s) (effect on project's target group(s), beneficiary (-ies)) (from the approved project document).

The outcomes specified at the beginning of the Project were:

- 1) The arrest of criminals and shutting down of criminal networks involved in illegal logging, import and trade of illegal wood products and associated fraud and corruption.
- 2) Government and international donor investment in building law enforcement capacity.
- 3) Stronger capacity of national law enforcement agencies to conduct operations and increased inter-agency collaboration, at national, regional and international levels (including with INTERPOL).
- 4) A reduction in greenhouse gas emission from the forest sector and conservation of the World's forests.

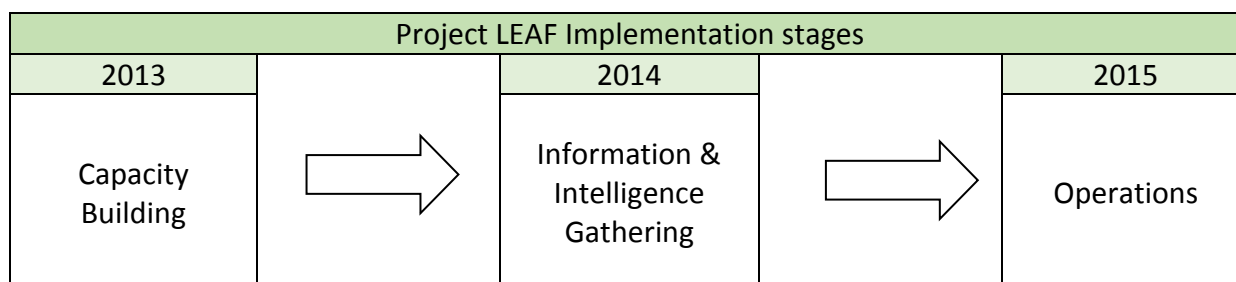
b) Please report on all outcomes from the project document:

i. What changes have been achieved with reference to the baseline?

Between 2013 and 2016, the Project was implemented in three stages. For the first stage, in year 2013, the Project focused on needs assessments and capacity building of law enforcement authorities. During the second stage, in year 2014, the Project focused on information and intelligence gathering and during the third stage, years 2015 and first half of 2016, on transnational law enforcement operations and investigations.

Throughout the project's duration, Project LEAF through various meetings, reports and operational results also raised awareness about forestry crime to law enforcement authorities internationally which led to an increased governmental and international donor investment in this area.

These activities resulted in increased law enforcement activities globally targeting illegal logging and forestry crimes. While at the beginning of the Project only forestry administration authorities were involved in combatting forestry related offenses, we see an increased involvement of traditional law enforcement agencies such as police, customs and financial and anticorruption agencies in investigating forestry crime and targeting the criminal networks behind the illegal trade of timber.



Project outcome 1: The arrest of criminals and shutting down of criminal networks involved in illegal logging, import and trade of illegal wood products and associated fraud and corruption.

Since 2012, Project LEAF has been successfully coordinating operational activities particularly in Latin America and Africa. In 2015, the Project focused its work on intelligence-led operations and criminal intelligence analysis.

For example, the most recent operations conducted in 2015 as part of an INTERPOL initiative focusing on investigative actions to address environmental crime, Project LEAF coordinated two regional law enforcement operations: Operation Amazonas II (Latin America) and Operation Log (West Africa).

INTERPOL, in an effort to enhance transnational investigations and the cooperation of countries on forestry crime cases, developed and implemented the concept of Regional Investigative and Analytical Case Meetings (RIACM). RIACMs are regional operational meetings that strengthen the focus of INTERPOL's coordinated activities on investigations and analysis.



In parallel to these operations and as a result of the training programmes organized by Project LEAF, particularly the programmes focusing on information and intelligence management, countries started exchanging information through INTERPOL channels on forestry crime cases.

These exchanges resulted in the immediate increase of data included in INTERPOL databases related to these cases and therefore the construction of an important framework for the conduct of transnational investigations. It is to be noted that the more the database is populated with data the more useful it becomes to countries. This increase also shows an increased number of national operations on forestry crime that generate this data throughout the year and not only during the INTERPOL coordinated operations.

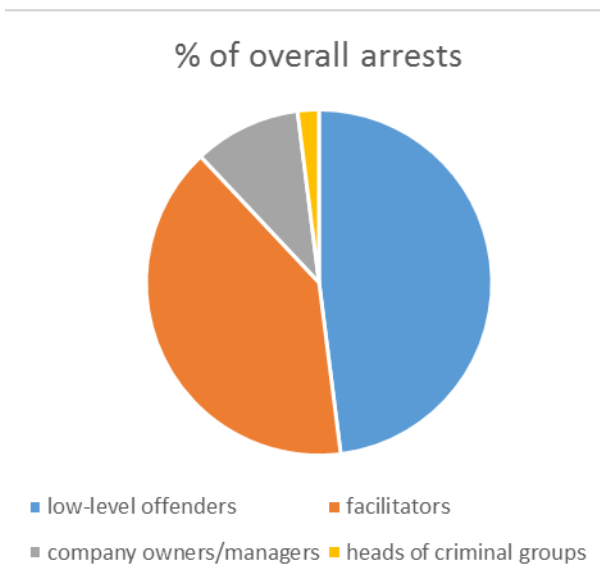
Project LEAF contributed financially to the hiring of a dedicated person to conduct data entry for our Project.

From 2013 to 2015, Project LEAF facilitated the execution of 10 successful law enforcement operations, **Operations LEAD, Putumayo I and II, Amazonas I and II, Red Eye, Log, Wildcat, Green Gold, INFRA-TERRA (International Fugitive Round – Up and Arrest)** which saw the participation of 34 countries in total across Asia, Africa and the Americas. These operations resulted in 349 arrests and the seizure of approximately USD 1.5 billion worth of timber.

The countries that participated in the operations and received specialized law enforcement training were the following: Argentina, Bolivia, Brazil, Benin, Burkina Faso, Côte d'Ivoire, China, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Ghana, Guatemala, Hong Kong (China), Honduras, Venezuela, Kenya, Mali, Madagascar, Mauritania, Mexico, Mozambique, Myanmar, Nigeria, Peru, Paraguay, Senegal, Singapore, Sri Lanka, South Africa, Swaziland, Tanzania, Togo, Zimbabwe.

For analytical purposes, Project LEAF has divided the arrested individuals in the four following categories: 48 % low level offenders, 40% facilitators, 10% company owners/managers, and 2% head of criminal groups.

In addition to these arrests, three additional Red Notices³ targeting timber barons operating in Africa and South East Asia have been issued by the countries. Project LEAF has been assisting the countries in locating the wanted individuals. Project LEAF has been requesting from the countries to report on whether arrested individuals have been convicted or not, however the responses of the countries are not systematic and for this reason we are unable to provide these figures.



Project Outcome 2: Government and international donor investment in building law enforcement capacity

One of Project LEAF's major achievements was that law enforcement authorities all over the world were informed about the financial dimension of illegal logging and its impact to their countries' economy. INTERPOL advocated the fact that forestry crime is the most lucrative of all environmental crimes and one of the 5 most lucrative organized crime types.

The raising of awareness was successful thanks to the media coverage of Project LEAF activities, particularly the operations and the joint reports published with the United Nations Environment Programme. By way of example, in June 2016, the last INTERPOL – UNEP report, "The rise of environmental crimes", was covered in 750 major news outlets and approximately 300 Chinese news articles.

Project LEAF activities have succeeded in increasing the governmental investment in building law enforcement capacity. There are now designated officers within the INTERPOL National Central Bureaus focusing on environmental crimes in the following Project LEAF target countries: Colombia, Costa Rica, San Salvador, Peru, Burkina Faso, Kenya, Malawi, Tanzania, Uganda, South Africa, Cambodia, Indonesia, Laos, Thailand and Vietnam.

In addition, countries such as Brazil, China, Cyprus, France and The Netherlands have funded the secondment of officials in our unit willing to support the international law enforcement cooperation to address this type of crime. In addition to the governmental support, Project LEAF has been

³ INTERPOL Red Notice: A request to locate and provisionally arrest an individual pending extradition. Further information can be found here: <https://www.interpol.int/fr/INTERPOL-expertise/Notices/Red-Notices>

advocating to a number of international donors the need to financially support law enforcement in order to address forestry crime. Since 2013, INTERPOL has directly facilitated the EU, GIZ, BMEL and the United States Department of State to increase investment in law enforcement capacity building programmes targeting illegal logging and trade of timber.

While governmental and international donor investment has been an important result of our activities, Project LEAF has also been aiming to make environmental crimes one of the organizations priorities. In 2014, INTERPOL member countries unanimously adopted a [resolution](#) on environmental security and three years later, the organization suggesting that environmental security becomes one of its seven priority areas.

Project Outcome 3: Stronger capacity of national law enforcement agencies to conduct operations and increased inter-agency collaboration, at national, regional and international levels.

Capacity building programmes organized by Project LEAF were crucial in achieving the results of the transnational law enforcement operations throughout the entire funding period.

Since 2013, Project LEAF facilitated more than 25 training programmes providing training to approximately 800 law enforcement officers of various grades.

The main subjects of the Project LEAF capacity building programmes were the following:

- Information and intelligence management
- Timber identification training
- EUTR and Lacey act implementation trainings
- Intelligence-led enforcement and operational planning
- Training on investigating forestry crime, tracking fugitives and using INTERPOL Notices
- Training on Anti-Corruption, Financial Crimes and Asset Recovery
- Crime Scene Investigation



In addition to the 800 law enforcement officers trained, Project LEAF through its recent e-learning programme on forestry crime also successfully trained 55 officials across INTERPOL, to ensure the knowledge base is integrated into other crime areas of the organisation⁴.

Since 2014, and in an effort to assess the utility of the training programmes to the participating officers, Project LEAF issued questionnaires six months after the training initiative to collect feedback. Although only 25 % of the participants responded to the questionnaires distributed, the results showed that 80% of the participants have continued to use the acquired knowledge in their everyday work.

The investigative outcomes of the INTERPOL led operations on forestry crime, as described earlier, constitute as proof that the capacity building programmes delivered by Project LEAF have contributed in enhancing the standard of officer's skills and responses.

⁴ Further, the e-learning programme was distributed to law enforcement in all INTERPOL member countries, with a request to be shared with all relevant authorities. For technical reasons, however, it is not possible, to calculate the number of individuals (outside INTERPOL) who have successfully completed the training.

Project Outcome 4: A reduction in greenhouse gas emission from the forest sector and conservation of the World's forests.

The illegal timber trade is estimated to suppress global timber prices by 7-16 percent.⁵ This is because illegal operators are able to put timber onto the market at reduced price. For example, these illegal operators may have avoided paying tax or levies, obtained permits fraudulently or through bribery, or avoided the cost of re-planting or site restoration in line with sustainable forest management practices.

Law enforcement efforts increase the cost of doing business for those involved in illegal logging or illicit timber trade. Efforts to cut the supply of illegally-sourced timber is, therefore, expected to increase overall timber prices to reflect its true market value, resulting in a corresponding reduction in timber demand, as well as making sustainably harvested, FSC-certified timber more cost competitive, encouraging improvements in the efficiency of timber processing, and encouraging recycling and reuse.

The seizure of illegally-sourced timber by law enforcement agencies can be shown to indirectly result in an overall reduction in deforestation. Although the timber has already been cut, the effect of the seizure and confiscation of that timber by the government authorities, both significantly increases the cost of doing business for the criminals, while also providing an opportunity for the government to sell that timber onto the market at its true market price. In addition to providing revenue to the government, it also results in pushing up global timber prices.

While it is difficult to determine price elasticity for timber⁶, as a best guess estimate we assume a 2:1 ratio in which reducing the proportion of illegal timber on the market by, for example, approximately 10% results in an overall reduction in demand for timber by 5%.⁷ These are intended to be generalised estimates, understanding that demand reduction is unlikely to be spread evenly across all species and timber products. This estimate is consistent with the fact that even if all illegally-sourced timber were removed from the market, it is anticipated that some will be replaced by an increase in production of legal timber to meet ongoing demand. Nevertheless, it is projected that overall timber demand will decline to some degree as a result of the anticipated price increase. It is understood that illegal timber is currently estimated to account for 15-30% of the global timber supply, while at the same time suppressing global timber prices by 7-16%. This is approximately a 2:1 ratio between supply and price variation.

Using this ratio, Project LEAF is able to estimate the overall reduction in timber production as a result of seizures made during law enforcement operations. Since 2013, the total quantity of timber seized during the completed operations (Operation Putumayo I and II, Operation Amazonas I and II, Operation Red Eye, Operations PAWS II, LEAD II, Wildcat and Log) was estimated at 1,025,429 cubic meters. This can be expected (in the longer term, once the price influence is factored in) to result in an overall reduction in timber production of 512,714 cubic meters. This is equivalent to an estimated reduction in greenhouse gas emissions equivalent to just over 410,172 tons of CO₂.⁸

⁵ According to study by the American Forest & Paper Association.

⁶ Price elasticity describes the affect to which increases in price result in a reduction in demand. For timber, price elasticity depends on many variables – see <http://www.fao.org/docrep/w4388e/w4388e0k.htm>

⁷ In other words, approximately 50% of the illegal timber removed from the market is replaced by (more expensive) legal timber.

⁸ The amount of carbon stored in timber varies depending upon the wood density of the species involved. As an approximate estimate however, 1 cubic metre of timber is equivalent to 0.8 tonnes of CO₂ equivalent (based on estimates taken from www.forestry.gov.uk).

ii. Please report on the key indicators used to document that the desired change has occurred.

The main quantitative outcome level indicators used to document the changes are the following:

Number of officers receiving training
<p>Under the previous funding agreement with Norad, between 2011 and 2013, Project LEAF supported 6 capacity building programmes providing training to 230 law enforcement officials. Since 2013, and thanks to the cooperation with a number of intergovernmental partners but also other INTERPOL Environmental Security projects, Project LEAF facilitated more than 25 training programmes providing training to approximately 800 law enforcement officers of various grades.</p>
Number of intelligence reports generated
<p>Between 2011 and 2013, Project LEAF generated only operational reports, describing the outcomes of the regional law enforcement operations but no intelligence reports. Since 2013, in part due to increased information sharing between the countries, Project LEAF was able to produce four criminal intelligence reports (2 reports for South and Central America, 1 for West Africa, 1 for illegal trade between East Africa and South East Asia) submitted to member countries in support of their investigations.</p>
Number of arrests and illegal timber seizures
<p>Since 2013, the total quantity of timber seized during the completed operations (Operation Putumayo I and II, Operation Amazonas I and II, Operation Red Eye, Operations PAWS II, LEAD II, Wildcat and Log) was estimated at 1,025,429 cubic meters. Compared to the size of 2012 seizures, the results are 200 times greater.</p> <p>The successful results of these operations were due to the targeted training programmes and operational support that Project LEAF provided to the participating countries before, during and at the conclusion of the operations.</p> <p>While the number of the arrests up to 2012 (200) was more impressive compared to the number of the arrests between 2013 and 2015 (349 arrests), the quality of the arrests has been enhanced. In 2012, 85% of the arrests were low level criminals, usually loggers and drivers of the trucks, 15% middle level offenders and no high level criminals were arrested. It is to be noted that no red notices (for internationally wanted fugitives) were issued during the first phase of the Project.</p>
Quantity of intelligence exchanges and submissions
<p>Since 2012, Project LEAF has witnessed a significant increase in the information shared among the countries. Thanks to the continuous training initiatives on the subject of information and intelligence exchange and also to the advocacy of the use of Eco-messages for information sharing on forestry crime issues, the quantity and also quality of the information has improved significantly.</p> <p>It is to be mentioned that from 0 entries in 2013, we have seen 158 entries in INTERPOL's databases in 2014 and an additional 167 entries in 2015. During this funding period, Project LEAF has also received an important amount of information through civil society organizations. In particular, our cooperation with civil society during Operation Red Eye was effective as they provided us with important information that led to a number of seizures in East Africa and South East Asia.</p>

Global media coverage , public awareness and debate on the issue

One of Project LEAF's major achievements was that law enforcement authorities all over the world were informed about the financial dimension of illegal logging and its impact to their countries' economy. INTERPOL advocated that forestry crime is the most lucrative of all environmental crimes and positioned it as one of the 5 most lucrative organized crime types.

The raising of awareness was successful thanks to the media coverage of Project LEAF activities, particularly the operations and the joint reports published with the United Nations Environment Programme. By way of example, in June 2016, the last INTERPOL – UNEP report, *The rise of environmental crime*, was covered in 750 major news outlets and in approximately 300 Chinese news articles.



- iii. **Please reflect on whether targets (outcomes) that were originally set have been achieved, and what project outputs were key to achieving them. If relevant reflect on why outputs delivered as planned did not help meet the targets**

All the outcomes which were originally set have been achieved. We consider that all outputs have contributed to the achievement of the targeted outcomes on a certain level. Some of the outputs have contributed to a significant level (outputs highlighted in green in the below table) and some to a lesser degree, but all have contributed positively in meeting the expected outcomes (outputs highlighted in blue).

	Categories of outputs
Linked to project outcomes 1 and 4	Preparing training manuals for law enforcement officers
	Delivering capacity building programmes
	Organizing pre-operational planning meetings
	Organizing Regional Investigative and Analytical Case Meetings (RIACM)
	Drafting tactical analytical reports to support countries enforcement actions
Linked to project outcome 2	Distributing awareness raising reports
	Organize international law enforcement conferences on forestry crime
	Issuing press releases on forestry crime issues
	Present on forestry crime and Project LEAF in international/regional law enforcement conference
Linked to project outcome 3	Organize National Environmental Security Seminars
	Facilitate information exchange between countries and promote the use of Ecomessages

The Project LEAF team has expert staff capable of working in the INTERPOL official languages, English, Spanish and French. Despite this, some language barriers exist, particularly when working in Asia. In Asia, the working language is English since no Asian language is included among the list of official INTERPOL languages. Budgetary constraints prevent Project LEAF from engaging local translators.

The LEAF team has identified English-speaking senior officers within forestry law enforcement and police to attend INTERPOL events. These officers are then expected to transmit relevant information and lessons-learned to their local colleagues, although there is the risk that some of the effectiveness of the meetings may be lost through the need to transfer and translate the information.

iv. If outcomes are not yet achieved, please explain why, and in addition, how the outputs will lead to the desired outcome and when.

N/A Outcomes have all been achieved as expected.

v. Are the outcomes expected to be sustainable?

The activities supported by Project LEAF, such as capacity building and training, and intelligence-led enforcement, are activities that are already part of the work plan of law enforcement authorities in most countries. However, Project LEAF is able to deliver these activities above and beyond the activities ordinarily done in the country. Therefore, while activities such as law enforcement operations and training will be sustained in the country, even without INTERPOL's involvement, the support of INTERPOL intensifies the outcomes achieved. Further, activities and follow up with the countries need to take place to ensure the sustainability of the levels of success achieved by Project LEAF. Change in the government is a risk to the sustainability of the outcomes as it is observed that law enforcement responses to forestry crime issues are dependent on the political support of the governments concerned.

INTERPOL is currently exploring additional funding opportunities to continue its support to African countries particularly in the West, Central and East African regions, and to Central American countries.

Through continuous advocacy of forestry crime issues globally, INTERPOL is expecting to keep up the momentum in the countries that are advanced in addressing this crime type while also inspiring the rest of the countries to follow their example.

2.5 Are there any internal and/ or external factors that have affected the project in any significant way?

a) Please specify deviations from plans.

While there are always some difficulties working across multiple jurisdictions, each with their own legal systems and capacity constraints, Project LEAF has addressed each incident as and when it occurs. While adjustments have been necessary, no specific deviation from the plan has occurred.

The Project was able to meet its deliverables under budget for the period between 2013 and 2015. Throughout the three years of the Project, partnerships were established with other units within INTERPOL who provided financial and in-kind support in the delivery of joint activities. This had the effect of effectively reducing the expenses on Project LEAF. Those funds were available for additional activities during the first six months of 2016, to further increase the impact of Project LEAF, particularly in the direct support INTERPOL provided to law enforcement in member countries to undertake law enforcement operations.

b) Please provide a short assessment of the risks occurred

External risk factors

The external risk factors relevant to Project LEAF include:

- 1) Diplomatic constraints with countries reluctant to employ internationally binding agreements or address environmental crime issues. For example, failure to prioritize forestry crime or

invest adequately in capacity building of forest law enforcement agencies. Another example includes delay in updating legislation to reflect CITES-listed timber species.

- 2) Inter-agency rivalry, where national agencies and bodies that have a mandate feel threatened by external “new and intrusive” involvement of other national law enforcement agencies, limiting inter-agency cooperation.
- 3) Capacity constraints of national enforcement agencies, that act as the weak-point in the enforcement chain when addressing forestry crime and controlling timber trade flows.
- 4) Uni-sectoral approaches that only target one area, such as enforcement actions that are limited to certain geographic locations; or target only one crime type, or which rely only on investigative techniques (such as satellite monitoring), or do not address underlying crimes (such as falsified documents or bribing of officials).
- 5) Lack of coherent approach to address all levels and networks involved in illegal logging.

INTERPOL has already taken a number of initiatives to address and reduce these risks. Firstly, INTERPOL has an approved mandate to work with all law enforcement agencies at the national level, bringing together the agencies to coordinate actions and to support their work across borders.

In 2010, as a result of an initiative by the INTERPOL environmental security programme, INTERPOL member countries unanimously adopted the *Resolution on Environmental Crime*, where they noted the multi-disciplinary nature of environmental law enforcement and the need for responsible national agencies to be connected with INTERPOL and the National Central Bureaus (NCBs). Further, in November 2014, as a result of a further campaign by INTERPOL, INTERPOL member countries adopted Resolution (Resolution AG-2014-RES-3), *INTERPOL response to emerging threats in Environmental Security* in response to emerging threats in environmental security, agreeing to report international environmental crime cases and share relevant information with each other and INTERPOL to the greatest extent possible. This resolution highlighted the important leadership role of INTERPOL in supporting global environmental security efforts.

INTERPOL’s Environmental Security Sub-Directorate has also built a network of partners and non-governmental organizations, from various environmental, forestry and agriculture sectors to law enforcement and judicial authorities, at the international, national and local level.

Project LEAF uses these approved mandates to strengthen inter-agency collaboration to address illegal logging from local to international levels in order to further strengthen existing bodies.

Internal/organizational risks

The internal/organizational risks include:

- (i) Meeting the deliverables

This risk is controlled through regular/monthly internal meetings with the Project team and management. The existing staff within INTERPOL’s Environmental Security unit are experts in the field of environmental crime, environmental science, and law enforcement. Our assessment is that these staff have produced quality research and delivered robust activities.

(ii) Financial misappropriation

The risk of financial misappropriation is controlled through regular reporting on the budget and strict control of spending. Financial monitoring includes reconciliation statements, monthly balances, and mapping of spending versus budget. The accounts are also audited by INTERPOL's Internal Audit Office.

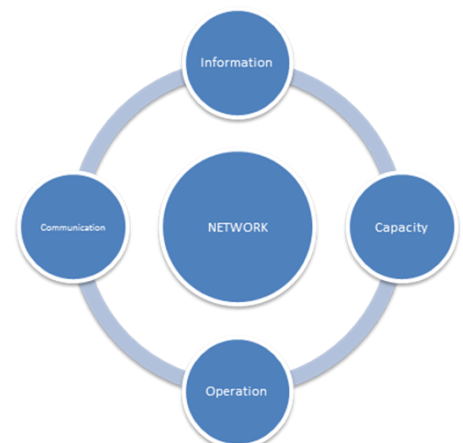
2.6 **Cross cutting concerns.** Please report on whether the project has had any effect (positive or negative) on

- a) **Corruption:** Project LEAF recognizes the crucial role that corruption plays in facilitating forestry crimes. In 2014, further emphasis was placed on the issue of corruption in the forest sector resulting in a formal partnership between Project LEAF and INTERPOL's Anti-Corruption and Financial Crimes Unit; hiring of one full time staff member to coordinate work on corruption in forestry; execution of three regional training programmes on corruption and financial crimes in the forestry sector in Senegal (2014); Malaysia (2015) and Argentina (2016); the general mainstreaming of corruption issues in all Project LEAF trainings and forestry crime issues in the Anti-Corruption and Financial Crimes Unit's trainings. The success of these joint activities has led to the drafting of a report on Corruption and Forestry crime which was launched on International Anti-corruption day on 9 December 2016.
- b) **Gender equality:** For Project LEAF's capacity building activities, countries' law enforcement agencies are not only encouraged to select the most relevant participants, but also to consider gender equality when nominating participants. Because law enforcement is generally a male dominated field, efforts are made during trainings to encourage women to participate and voice their opinion. The percentage of female participants at our trainings is generally 10% and we aim to raise this number.
- c) **Respect for human rights:** Project LEAF recognizes the risks that are associated with increased forest law enforcement in developing countries where forests are a source of food and shelter for the poor, marginalized and rural. Through Project LEAF's reports, manuals, operations and capacity building exercises, we discourage law enforcement from focusing on arresting petty criminals at the lower levels, for example, the rural poor who may illegally log for subsistence. Rather, we encourage and train law enforcement to focus on the organized criminal rings and target the kingpins and masterminds behind the illicit logging operations.

2.9 **Lessons learned.** *For final report, please summarize lessons learned for the whole agreement period. Both internal and external factors are relevant. What could have been done differently? How can lessons learned be incorporated in future plans? We are interested in learning based on positive and negative experiences.*

During this agreement period, Project LEAF has learned that to support effective enforcement of forestry laws, it is necessary to prioritize five broad themes:

- information management and analysis,
- capacity development and mentorship,
- operational responses and pursuing investigative leads,
- communication and advocacy, and
- the establishment of active law enforcement networks.



Information

The role of information/intelligence management and analysis is critical in understanding the current and emerging threats, whilst responding to tactical, operational and strategic level needs. A reliable information collection plan, information grading and handling offer a favourable environment to transform it into actionable intelligence.

Capacity Development

Our initial assessment of law enforcement capacity in tropical forested areas, where illegal logging and forestry crime are rampant, revealed that capacity of the officers to stop forestry crime is weak. In the case of major timber importers in the EU, these countries have been slow to fulfil their enforcement obligations under the EU Timber Regulations. Our law enforcement trainings confirmed the value of bringing together law enforcement officers from different countries across the regions. The training programmes provided the opportunity for officers to share experiences, best practice, information and build informal networks.

After years of capacity building programmes globally, it is understood that a focus should be placed on the capacity development of law enforcement authorities in advanced investigative techniques and criminal intelligence analysis. For this reason, the future Project LEAF plans will be focusing on the development of these two skills.

The successful completion of the e-learning on forestry crime will be a prerequisite for all participants of Project LEAF's upcoming training programmes.

Law Enforcement Operations

Law enforcement operations lead not only to the arrest of those responsible for facilitating and organising illegal logging operations, but it also results in the seizure of equipment, illicit timber, and the criminal proceeds. Large-scale illegal logging is a profit-motivated crime, and therefore increasing the "cost of doing business" for the criminal networks involved is an effective way to target those groups and reduce their incentives. It also ensures the economic viability of the law-abiding logging companies and encourages the industry to improve its levels of compliance.

The successful completion of Project LEAF's regional law enforcement operations has also shown that countries are willing to work together in order to combat the transnational nature of forestry crime. Through establishing networks for sharing criminal intelligence, Project LEAF's work has empowered countries to cooperate in transnational law enforcement operations. Through cooperation and trust-building, law enforcement agencies from different countries have shown an increased willingness to initiate cross-border enforcement actions.

The concept of RIACMs has enhanced the focus of the countries and officers on transnational investigations and analysis. During these meetings, countries are requested to present and discuss transnational forestry crime cases with other countries in order to initiate or advance their investigations. Considering the importance of the RIACMs in meeting the Project's objectives, Project LEAF will be organizing RIACMs in the preparation and conclusion stages of transnational law enforcement operations in order to ensure that information is exchanged among member countries and that investigations are undertaken when necessary.

Multi-agency Cooperation

Forestry crime often involves the infringements of many different laws and the commission of many different types of crime, including breach of environmental laws, fraud, corruption, tax evasion, money laundering, trespassing and infringement of community and local land rights ("cross-over" crimes). Furthermore, the same routes used for smuggling timber are often used for smuggling

drugs, weapons and other wildlife products. During our operations, it has become clear that a multi-agency response increases the likelihood of successful results.

Taking down the organized criminal networks requires highly skilled investigation teams with experience in investigating organized crime, corruption, document fraud, financial crime and money laundering. It is rare that the average forestry enforcement agency will have this expertise or the necessary resources. However, much of the necessary expertise already exists in the law enforcement community. Project LEAF, therefore, aims to enhance multi-agency cooperation within each country to ensure that anti-corruption units, financial investigation teams, drug trafficking and organized crime units, are able to work together with forestry enforcement units.

Bringing these specialized crime units together with forestry officers is an effective way to build up the necessary expertise and capacity to tackle organized criminal involvement in forestry crime. This ensures a multi-pronged approach to forestry crime that increases the likelihood of dismantling the entire criminal syndicates – since they can be targeted and prosecuted for other more commonly recognized (and higher priority) crimes such as tax fraud, corruption and/or violence.

Cooperation with other intergovernmental organizations

It is no coincidence that the majority of the deforestation takes place in the same regions where illegal logging is at its worst – namely the tropical forests of the Amazon Basin, Africa, and Southeast Asia. Illegal logging is a reflection of weak forest governance, with rates of illegal logging being a direct indicator of a country's ability to regulate and manage its forest industry. Tackling illegal logging, therefore, needs the support of other intergovernmental organisations with the mandate to work with countries to amend laws and strengthen government institutions. INTERPOL has increased its level of joint cooperation with other intergovernmental organizations to avoid duplication of efforts, increase efficiency and ensure that no priorities are neglected. Member countries have informed INTERPOL that it is a drain on their resources to participate in the initiatives of different international organizations and have requested INTERPOL help bring together these different international efforts. It is also expected that, in addition to the organization of important joint initiatives, available international financial resources will be strategically invested and will respond to the real needs of the member countries.

3 Project's accounts for last year:

4.1 The accounts must relate to the approved budget for the year in question. All deviations (positive and/ or negative) must be clearly shown and explained.

Attachment: Audited accounts and completed form from the accountant for last year's accounts. Only after a contract expires should unspent funds be returned to Norad.

Date: 20 December 2016

Signature:

Davyth Stewart, Coordinator, Project LEAF

Attachments:

1. Audited accounts
2. List of activities since 1 January 2015 (*Full list of activities from 2013-2014 have previously been reported*)
3. Appendix I: Case/success story Project LEAF II (2013-2015)