

## CHAPTER 2

### FOREST MANAGEMENT AND THE TIMBER SECTOR IN CENTRAL AFRICA

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#### Introduction

The formal forestry sector plays an important role in the economy of Central Africa. This is not only due to the contribution it makes to the various gross domestic products (GDP) of Central African countries, a contribution which has fallen in recent years with the development of the petroleum and mining sectors, but also because of the advantages presented by two main characteristics of the forestry sector. First, the sector is based on developing a renewable raw material and, as such, it guarantees lasting revenues for as long as this resource is adequately managed. Second, it is largely integrated into a rural economy that has limited monetization. As such, the forestry sector often represents the main sector generating direct and indirect employment (see table 2.1), and also provides incomes for the local populations and funding for infrastructure in rural areas. In this way, the forestry sector undoubtedly contributes towards the fight against poverty.

The forest logging and industrial timber sector has significantly changed over the past two decades. At the center of the international debate on sustainable management and the fight against climate change, it has also needed to adapt to fluctuating markets and the growing demand for greater consideration of the social and environmental aspects of forest management.

This chapter summarizes the current situation with regard to forest management and the timber sector in Central Africa, using data collected by the Observatory for the Forests of Central Africa (OFAC) in addition to surveys and discussions in the field with the main actors involved in the forestry sector. The chapter highlights in particular the developments that have taken place in this sector since the 2008 State of the Forest (SOF) publication.



Photo 2.1: Wengé logs (*Millettia laurentii*) in an industrial yard in DRC

Table 2.1: Forestry sector's contribution to national GDPs and direct employment creation in Central Africa

Country	Forestry sector's contribution to GDP (*)		Number of direct employments (**)	
	Value (%)	Year	Value	Year
Cameroon	6	2004	13,000	2006
Congo	5.6	2006	7,424	2007
Gabon	3.5	2009	14,121	2009
Equatorial Guinea	0.22	2007	2,000	2007
CAR	13	2009	4,000	2009
DRC	1	2003	15,000	2007
<b>Total</b>			<b>55,545</b>	

(\*) Figures given are those most recently available on the OFAC website.

(\*\*) It is difficult to ascertain the number of indirect jobs as data in this area is heterogeneous.

Sources: Cameroon: the Ministry of Finance and Economic and Financial Audit of the Forestry Sector; Republic of Congo: Poverty Reduction Strategy Paper (PRSP) and MDDEFÉ; DRC: World Bank and Fédération des Industriels du Bois (FIB); CAR: Institut centrafricain de Statistiques et d'Études économiques et sociales (ICASEES); Gabon: Cellule économique; Equatorial Guinea: Documento de la segunda Conferencia Económica and Forestry Enterprises.



## The institutional framework for forest management

### Forestry legislation

While, forest regimes in Central African countries date from the colonial period, from 1990-2000, all countries in the region adopted new forest codes outlining the guidelines for forest management. These codes are relatively similar across most Central African countries.

Despite being the legal owners of their forests, Central African States are ill-equipped to manage them on a day-to-day basis, especially given their vast size, their inaccessibility and the fact that administrations lack the necessary equipment and human and financial resources. Forestry

legislation has therefore allocated forest management to concession holders for parts of the forest, namely for long-term forest concessions or other forest logging titles. The State takes responsibility for these areas by: (i) elaborating technical standards; (ii) ensuring that management decisions are carried out; (iii) monitoring application of management decisions; (iv) ensuring follow-up and monitoring of production; and (v) ensuring receipt of fiscal revenues in the context of forest management activities.

### Allocated areas

Table 2.2 presents forest areas allocated to logging in Central Africa. Only long-term forest concessions (over 15 years in duration) are mentioned. They account for the bulk of production forests in the area.

In recent years, allocated areas have been relatively constant with the notable exception of the DRC, where they have decreased compared to 2002 figures.

**Table 2.2: Allocated areas by country (in hectares)<sup>4</sup>**

Country	Forest area in 2010(*) (ha)	Total area of forest concessions (ha)	Year
Cameroon	18,640,192	6,381,684	2009
Congo	17,116,583	12,669,626	2010
Gabon	22,324,871	9,893,234	2009
Equatorial Guinea	2,063,850	0(**)	2010
CAR	6,915,231	3,022,789	2009
DRC	101,822,027	12,184,130	2011
<b>Total</b>	<b>168,882,754</b>	<b>44,151,463</b>	

(\*) Area of lowland dense moist forest.

(\*\*) In Equatorial Guinea, all the forest concessions were canceled in 2008.

Sources: Verhegghen & Defourny, 2010 – DRC Geodatabases; SIAF Congo; OFAC.

### The case of DRC

The reason allocated areas in the DRC have decreased is that, since 2003, considerable effort has been made to validate forest titles granted to the private sector. The evolution of these allocated areas is presented below:

- Before 2002: 45.5 million hectares were allocated;
- In 2002: 25.5 million hectares of forest concessions were abrogated, resulting in a total allo-

cated area of 20 million hectares; and a moratorium on granting new titles was put in place;

- Non-compliance with the moratorium and illegal provision of a large number of forest titles;
- In 2005: publication of a decree establishing the modalities for converting former forest titles into forest concession contracts (see below) and title holders submitted requests to convert 156 forest titles covering a total area of 22 million hectares;

**Photo 2.2: Bossé (genus *Guarea* with 8 species) is commonly logged in Central African forests, notably in the CAR**

<sup>4</sup>The administrative areas are different from the GIS calculated areas. For example, according to the WRI, in February 2011, in DRC, the administrative areas of allocated forests totaled 12,184,130 hectares while a GIS analysis calculated the total area as 14,491,935 hectares.

- As of 29 January 2011: 80 forest titles representing 12.2 million hectares had gone through the conversion procedure and were deemed suitable for conversion.

To obtain a forest concession contract, title holders applying for conversion of titles are first required to draw up a four-year management plan (the period seen necessary for drawing up a full

management plan) and sign the Forest Administration's terms and conditions that regulate the modalities for land use, including social and environmental measures that will be implemented. They must also sign an agreement with local communities stipulating the socio-economic measures for the titles concerned (see box 11.4).

## Managing forest resources

### Developments in forest management

The gradual establishment of sustainable management of production forests has been one of the major developments in the forestry sector over the last fifteen years and has little by little replaced a more "mining" form of logging that extracts the available resources without any prior planning.

With the exception of the DRC, unallocated forest areas are becoming increasingly rare, which clearly shows that resources are not unlimited. Competition in demanding international markets and growing industrialization require more precise and reliable production planning at least over the medium term. Exact calculations for future production can only be achieved through forest management.

Following the 1992 Rio Conference, the international community and consumers have put pressure on countries and on private operators to establish good practices in forest management. In the Central African region, this has been implemented by adopting new forest legislation and providing the technical and financial supports required for a sustainable management process. The social and environmental functions of the forest have taken pride of place in forest management, which is no longer limited to planning sustainable timber extraction.

In the 1990s, the first management plans based on this new approach were drawn up within the framework of projects that were mainly funded by international donors. Although their

implementation has not always been entirely effective, the new management plans laid the technical framework for the sustainable management of Central African forests and form the basis, through today, for the region's entire management process.

Reminders of key dates:

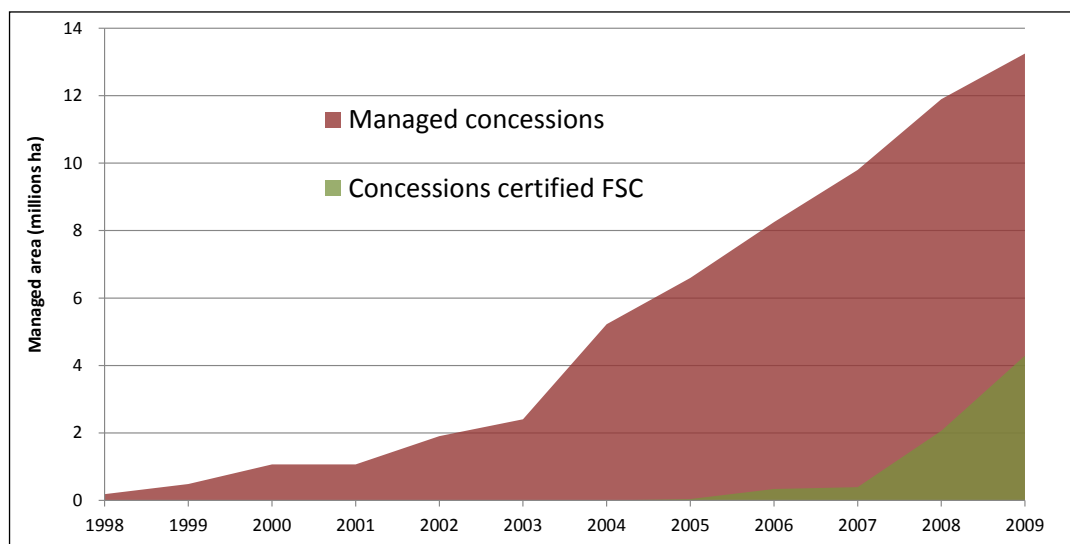
- 1993 – 1995: the API (*Aménagement Pilote intégré*) Dimako project establishes the foundation for what forest management in Central Africa should be. It not only includes requirements for sustained forest output, but also takes into account the environmental and social functions of the forest;
- 1998: IFB (*Industries forestières de Batalimo*) is granted Agreement of the Management Plan for Logging Permits (authorization No. 169). This management plan was drawn up in the context of the ECOFAC project;
- 2000: In Gabon, validation of the first management plan prepared by a private forest concessionaire;
- 2010: In the Congo Basin, over 14 million hectares under formal management and 4.5 million hectares granted FSC (Forest Stewardship Council) certification.



**Photo 2.3: School constructed by a logging company**



**Photo 2.4: Implementing forest concession management in CAR**



*Figure 2.1: Evolution of managed areas with FSC certification in Central Africa (excluding Controlled Wood certificates<sup>5</sup>)*

*Sources: FSC; Cameroon: Topa et al., 2010; Gabon: WRI Atlas; CAR: PARPAF Project; Congo: FRM.*

<sup>5</sup>The “Controlled Wood” label aims to guarantee that timber with an FSC label are from a verified and approved FSC source, or that they contain FSC monitored material mixed with non-certified timber.

While the management process is well under way in Cameroon, CAR, Congo, and to a lesser extent, Gabon, it has only just begun in DRC which is the biggest forest country in the sub-region. The delay in DRC is explained by the armed

conflict that affected the country from 1999 till 2003, and then by the lengthy conversion process for forestry titles. Equatorial Guinea has not followed the management process initiated by other countries in the region.

### **Box 2.1: Sustainable management of CAR’s timber forests**

*Hervé Martial Maïdou, Didier Hubert*

*PARPAF*

The Central African Republic (CAR) is a special case in the sub-region as regards forest management. In 1990, when the CAR Forest Code came into effect, it stated that “The Minister responsible for forests draws up the management plans”. The Forest Code also stipulated that “all industrial exploitation/logging of the forest domain is subject to being in possession of a logging and management permit (PEA)”.

From 2000 onwards, the forest administration has received support from the French Development Agency (AFD) through the Project to Support the Implementation of Forest Management Plans (PARPAF - *Projet d’Appui à la Réalisation des Plans d’Aménagement forestiers*) to assist with the development of management plans for forest concessions that had been allocated or were still to be allocated.

In CAR, PEAs are awarded by tender and requests are considered in the presence of an independent observer.

According to national norms for management, once a PEA has been awarded by presidential decree, a provisional management-logging convention is signed by the Ministry responsible for forests and the operator who has been awarded the PEA. In addition to identifying felling areas and drawing up technical logging specifications, the convention stipulates that the company must set up a management cell so as to gradually incorporate an overall management process. The cell should comprise at least one social affairs manager and one land planning manager to liaise between PARPAF and the company’s management during the entire period necessary for elaborating the management plan.

Three months after signing the convention, and once PARPAF has drawn up the pre-inventory sampling plans and the management inventory, the forest company must start planning work. PARPAF trains the company’s prospecting teams in the technical aspects of management inventories, and guides and monitors the management work during the whole duration of the provisional convention. During this phase, PARPAF also carries out further studies including socio-economic and felling monitoring studies.



Validating these studies and the management plan takes place in various stages that involve the administration, the operator and the local communities. Emphasis is placed on ensuring that the operator participates in the process and is made aware of the challenges, benefits and constraints of sustainable management. The signature of a final convention between the forest administration and the operator validates the management plan.

In CAR, the forest production zone in the south-west has 14 PEAs covering a total area of 3,695,716 ha. On 31 December 2010, management plans were approved for ten concessions and one concession, under a provisional convention, was on the point of obtaining validation for its management plan. Three PEAs had not yet been awarded.

The success of CAR's approach lies in the overall consistency of the management plans that are developed through a more uniform fashion where all concessionaires are provided the same support.

Unfortunately, the assistance provided by PARPAF to concession companies has not yet allowed concessionaires to establish the necessary capacity to carry out their planning and management activities independently.

**Table 2.3: Status of forest management in CAR as of 31 December 2010**

N°	Society	PEA	Total area (ha)	Exploitable area (ha)	Not allocated	Provisional convention	Final convention	Total area (ha)	Exploitable area (ha)
1	SCAD	171	475,589	333,692			10/06/2005	<b>2,864,540</b>	<b>1,960,968</b>
2	SEFCA	174	395,856	335,031			17/06/2006		
3	SEFCA	183	325,563	241,860			17/06/2006		
4	IFB Ngotto	169	186,596	137,585			20/07/2007		
5	SCAF	185	270,005	200,853			03/12/2007		
6	VICA	184	370,294	204,160			21/03/2008		
7	Thanry CA	164	225,321	205,100			21/03/2008		
8	SOFOKAD	175	188,691	92,057			21/03/2008		
9	IFB Batalimo	165	208,038	129,563			22/12/2010		
10	IFB	186	218,587	81,067			22/12/2010		
11	SCD	187	156,531	88,547		01/08/2007		<b>156,531</b>	<b>88,547</b>
12	?	A	229,025	193,420	X			<b>674,645</b>	<b>565,812</b>
13	?	B	211,155	179,289	X				
14	?	C	234,465	193,103	X				
<b>Total</b>			<b>3,695,716</b>	<b>2,615,327</b>					

Source : PARPAF

In Republic of Congo, the Congo Forests Sustainable Management Support Project (PAGEF) to support forest management began in September 2009. The project's objective to extend the management process from the north to the center and south of the country was achieved in one year. In addition to finalizing the planning work,

initiated during the first year, the project will improve the established institutional framework to assist with the establishment and implementation of management plans by developing national standards, establishing a permanent forestry domain and setting up an economic observatory.

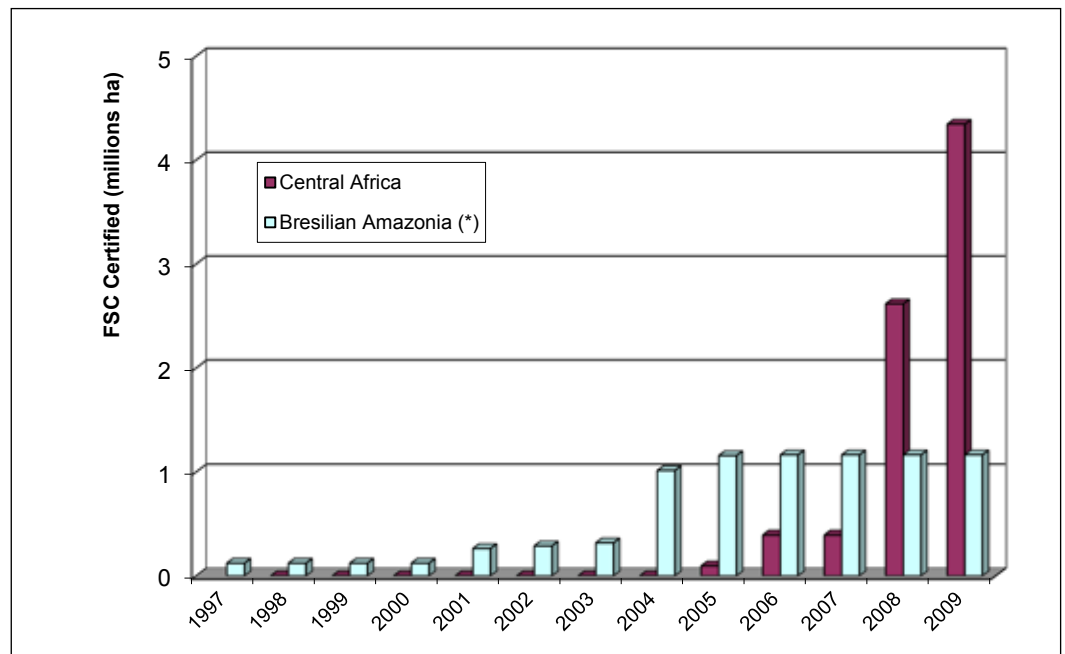
## Forest certification

Having been sensitized by informational campaigns and international debates, distributors and, to a lesser degree, consumers are becoming concerned about the origin of the timber they buy and the conditions in which the timber is produced. Independent certification systems for legal and good forest management have been established to ensure that producers adhere to

legal and sustainable management procedures. For most producers, certification and verification (establishing systems to check validity and legal origin) are now a logical concluding step in the preparation of management plans, as demonstrated by the significant increase in certified area in Central Africa in recent years, even as compared to the Amazon Basin (figure 2.2).



*Photo 2.5: Reduced impact logging (RIL) works to minimize the effects of tree felling on the surrounding environment*



(\*) Estimations based on Natural Forests and Plantation FSC data

Figure 2.2: FSC certified Natural Forests

Source: FSC.

**Table 2.4: Progress of forest certification in the Congo Basin (February 2011)**

Date	Country	Company	Name of FMU(*)	Area (ha)	Certification Body
08/12/2005	Cameroon	Wijma Douala SARL	FMU 09-021	41,965	Veritas
<b>Total year 2005</b>				<b>41,965</b>	
22/05/2006	Congo	CIB	FMU Kabo	297,000	SGS
<b>Total year 2006</b>				<b>297,000</b>	
03/07/2007	Cameroon	Wijma Douala SARL	FMU 09-024	55,078	Veritas
<b>Total year 2007</b>				<b>55,078</b>	
12/02/2008	Cameroon	Reef (TRC)]	FMU 00-004	125,490	Veritas
09/10/2008	Gabon	Rougier	Haut-Abanga	288,626	Veritas
09/10/2008	Gabon	Rougier	Ogooué-Ivindo	282,030	Veritas
09/10/2008	Gabon	Rougier	Léké	117,606	Veritas
09/10/2008	Gabon	CBG	FMU Kivoro	216,443	Veritas
09/10/2008	Gabon	CBG	FMU Mandji	166,400	Veritas
09/10/2008	Gabon	CBG	FMU Rabi	185,700	Veritas
09/12/2008	Cameroon	Pallisco	FMU 10-041	65,564	Veritas
09/12/2008	Cameroon	ASSENE NKOUE (Pallisco)	FMU 10-044	65,755	Veritas
09/12/2008	Cameroon	Pallisco	FMU 10-030	76,842	Veritas
09/12/2008	Cameroon	Pallisco	FMU 10-039	48,042	Veritas
09/12/2008	Cameroon	SODETRANCAM (Pallisco)	FMU 10-042	45,184	Veritas
09/12/2008	Cameroon	SODETRANCAM (Pallisco)	FMU 10-031	41,202	Veritas
<b>Total year 2008</b>				<b>1,669,806</b>	
26/02/2009	Congo	IFO (Danzer)	FMU Ngombe	1,159,643	SGS
19/05/2009	Congo	CIB	FMU Pokola	452,200	SGS
02/06/2009	Gabon	CEB-Precious wood	CFAD	616,700	Veritas
<b>Total year 2009</b>				<b>2,228,543</b>	
19/01/2010	Cameroon	SFIL (Decolvenaere)	FMU 10-052	70,912	Smartwood
19/03/2010		CAFECO (WIJMA)	FMU 11-005	71,815	Veritas
		TRC	FMU 11-001	80,384	
<b>Total year 2010</b>				<b>223,111</b>	
<b>Total</b>				<b>4,515,503</b>	

(\*) FMU: Forest Management Unit

Source: FSC.

In the first quarter of 2010, forest concessions with legal certificates amounted to about 4.5 million hectares in Central Africa (table 2.4). These certificates are granted by independent auditors of international repute (Timber Legality and Traceability Verification (TLTV) from SGS, Origin and Legality of Timber (OLB) from BVQI, Verification of Legal Origin (VLO) and Verification of Legal Compliance (VLC) from Smartwood).

In practice, legal certification usually constitutes the first step towards obtaining a certificate for good forest management.

As shown in figure 2.1, trends in certification usually follow management trends. Drawing up a management plan is an indispensable precursor to certification.

Gabon and Republic of Congo are the two most advanced countries as regards certification. Cameroon is in third position in terms of area, but has a greater number of certified operators.

CAR, while being very advanced with regards to management, is behind in the context of certification.

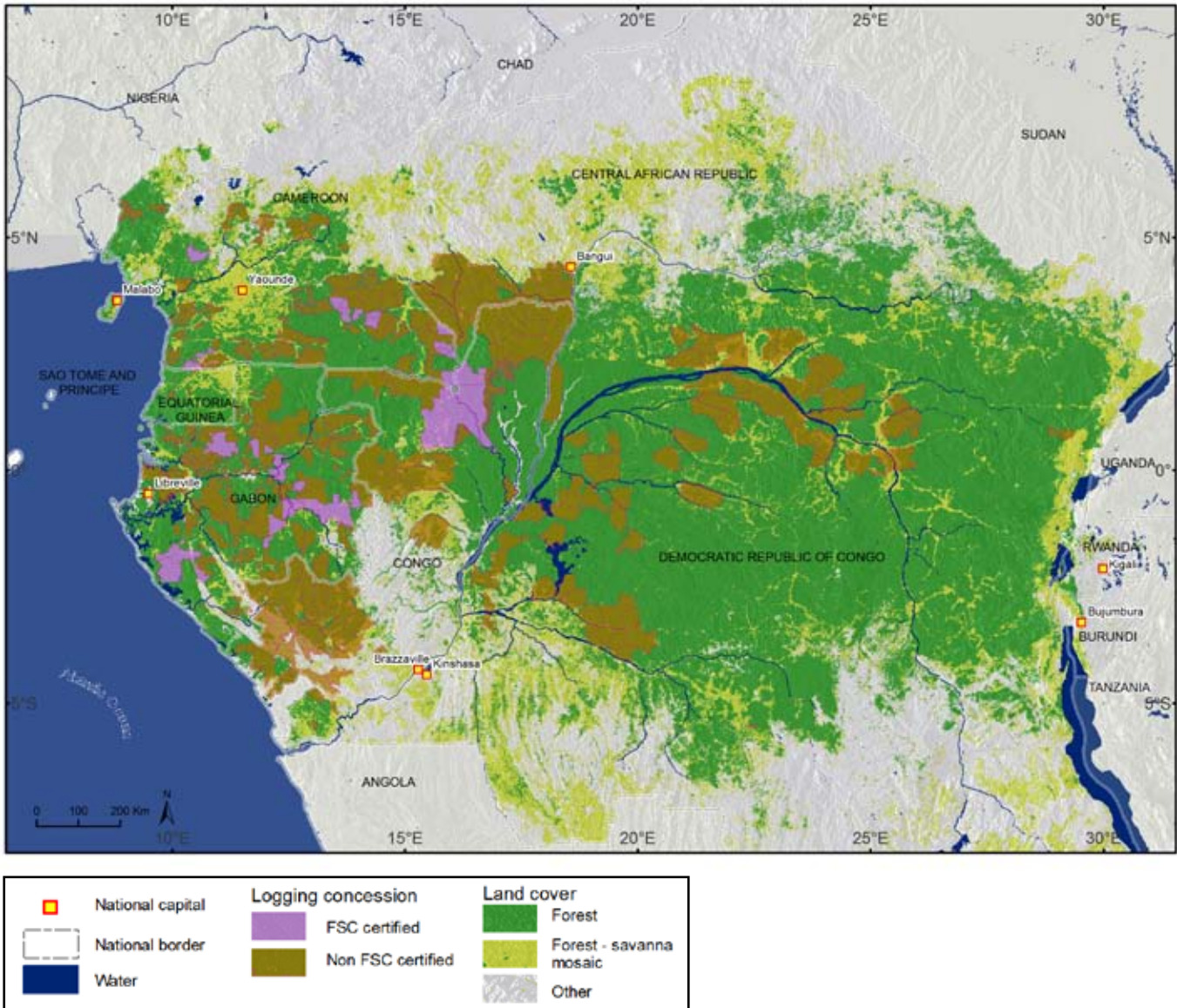


Figure 2.3: Progress of FSC certification for concessions across Central Africa  
 Sources: Verbeeghen & Defourny, 2010; WRI Forest Atlas; FSC.



### **Box 2.2: Project to develop small-scale forestry permits in Gabon**

*Faustin Legault*

*PAPFFG*

#### **Project description**

The project to develop small-scale forestry permits in Gabon (PAPFFG – *Projet d'Aménagement des petits Permis forestiers Gabonais*) was launched in May 2007 for a five-year period.

The project aims to consolidate the process to develop forest management in Gabon by supporting the incorporation of the use of small scale permits and national economic operators in the Gabonese timber trade. The project is designed to establish small scale permits over an area of 2.25 million hectares of forest. It also seeks to strengthen the capacity of the responsible Ministry and promote the use of national operators in the timber trade, thereby registering them in the formal sector and providing them with legal status and job security.

#### **Organization of the project**

The project was designed as a service platform for small scale permit holders and their partners. It consists of five components: (i) awareness-raising/extension/training; (ii) support for setting up permit holder groupings; (iii) technical assistance to establish development plans; (iv) support for sustainable forest management; and (v) a final cross-cutting funding and transfer component.

The project is being overseen by the Water and Forestry Ministry, represented by the Water and Forestry General Directorate. Project management is delegated to a management unit, assisted by the FRM/CIRAD/TEREA group.

The total budget for the project is € 15.7 million, which covers the entire cost of establishing the development plans (€ 13.3 million) and drawing up the planning inventories for the holders' concessions (€ 2.4 million).

#### **Status in 2010**

As of mid-2010, the project had registered 123 small scale permits for a total area of 1.6 million hectares. Eight groupings (500,000 ha) had signed provisional management-exploitation-processing agreement (CPAET) and were poised to draw up the management plans for their concessions. A first development plan had already been submitted to the Ministry for approval and a second plan was being finalized.

Nineteen other groupings (1,100,000 ha) were in varying stages of development. At the end of 2010, the areas covered by provisional agreements reached around 800,000 hectares.

In parallel with this planning work, the project provides numerous training sessions for private holders and the administration in order to strengthen their capacity (e.g. use of GPS, mapping with GIS, inventories...). It also develops various technical documents that provide direction on the elaboration and implementation of different components of development plans (i.e. socio-economic studies, timber, fauna and biodiversity inventories, management and exploitation plans, reduced impact logging, ...).

Once completed, the project should have made a significant contribution to the sustainable management of Gabonese production forests and improved sector governance, which will certainly benefit the country, notably in terms of improving its image.

## Establishing importation controls: the FLEGT rule and the Lacey Act

### □ *The FLEGT Action Plan*

In 2003, the European Union launched its FLEGT (Forest Law Enforcement, Governance and Trade) Action Plan, in order to participate in efforts to eliminate illegal logging from the timber trade at the international level. FLEGT seeks to ban illegal timber trading on the European market.

### □ *Voluntary Partnership Agreements*

One of the fundamental elements of the FLEGT Action Plan is to provide support to producing countries to improve their forest governance and establish effective methods to counter illegal logging. To achieve this, the Action Plan

has designed Voluntary Partnership Agreements (VPA) to be signed by the European Union and timber exporting countries. The VPA commits countries to establishing an effective verification system regarding the legitimacy of their forest products. To date, of the three VPAs that have been signed at the international level, two are for OFAC countries – Republic of Congo (17 May 2010) and Cameroon (6 October 2010); the third signatory country is Ghana.

As far as other Central African countries are concerned, negotiations took place in CAR in November 2009 and led to the initialing of a VPA on 21 December 2010. DRC and Gabon have made official requests to start negotiations.

### Box 2.3: Trends in forest governance: VPA-FLEGT

Alain Pénelon, Emmanuel Heuse

CIRAD, BTC

The 2003 FLEGT European Action Plan provides for the negotiation of commercial agreements with timber producing countries so that they can jointly combat illegal logging and the illegal trade of timber. FLEGT is having an increasingly positive impact on developments in logging governance in Central Africa, even if there is still a long way to go.



The five main forest countries in the Congo Basin (Cameroon, Congo, Gabon, CAR and DRC) are currently either formally engaged in negotiations or in the early stages of implementing a Voluntary Partnership Agreement (VPA) with the European Union in the framework of the FLEGT Action Plan. Congo and Cameroon signed their VPAs in May and October 2010 respectively. The CAR concluded negotiations in December 2010. Gabon and the DRC began negotiations in September and October 2010 respectively.

By establishing a strong and reliable legal verification system, cargoes of legally checked timber will obtain FLEGT authorizations for exportation to European markets. VPAs will make a solid contribution to strengthening sustainable management in Congo Basin forests. Such management is at the heart of legal and regulatory requirements in forest codes adopted by the five countries between 1994 and 2002, but which until now have not been effectively applied on-site.

Optimistic forecasts that timber with a FLEGT stamp of authorization will be exported as of 2011 to European markets do however seem unrealistic as requirements negotiated under the VPAs often involve introducing complex reforms to address how the administration and forest monitoring bodies operate. Experience gained in 2009 and 2010 is a good illustration that, once they reach the stage of their first FLEGT authorization, the five concerned countries in the Congo Basin will undoubtedly have taken a huge step in improving the entire functioning of their forest administration and the governance of their forest sector. Independent system audits will guarantee the solidity of the new devices that have been established.

The recent adoption by the European Council of a regulation on illegal timber will, in the meantime, provide further motivation of VPA's for Congo Basin exporting countries. By forcing all operators that export timber to European markets to ensure its legality (wherever it is from), this regulation will force processing countries, in particular the Chinese market which imports a lot of Central African timber but transforms much of it to send to Europe, to be concerned about the legality of supplies from the Congo Basin.

Based on a wide process of multi-stakeholder consultation, from the onset of the negotiating phase of the VPAs, the FLEGT Action Plan appears to be a very novel tool for the improvement of forest sector governance in Central Africa. Many aspects of its methodology serve to make it a model for other mechanisms, such as REDD+.

	 Independent certification	 FLEGT Action Plan
How voluntary is it?	Private Law <i>(it is up to <b>logging companies</b> to decide whether they go for certification or not)</i>	Public Law <i>(it is up to <b>timber producing countries</b> to decide whether they go for VPA negotiation or not)</i>
Goal	Demonstrate that the timber produced and traded <b>by a private company</b> has been logged responsibly and complies to commonly agreed principles of sustainable forest management (SFM) <i>(on the basis of SFM standards set up by civil society through a participatory process)</i>	Demonstrate that the timber produced and traded <b>in a country</b> complies to all relevant legal and regulatory provisions in force in that country <i>(on the basis of a definition of legality set up through a participatory process under the aegis of national authorities)</i>
How does it work?	<b>Contract</b> between a <b>logging company</b> and a <b>certification body</b> accredited by FSC for the audit of logging operations and chain of custody <i>(private law agreement)</i>	Negotiation of a <b>VPA</b> between a <b>timber producing country and EU</b> <i>(bilateral trade agreement)</i>
Control of legality	Compulsory for the candidate logging company <i>(1<sup>st</sup> principle of FSC International Standards)</i>	Compulsory for all logging and timber companies in the country where the VPA has been concluded <i>(national system of legality verification)</i>
Timber monitoring (Chain of custody - CoC)	CoC certificate compulsory <b>for certified companies</b> (internal CoC within the company) <i>The CoC certificate is distinct from the SFM certificate (but is a necessary condition for SFM certification)</i>	Control of origin and CoC compulsory for <b>all timber companies operating in the country</b> (national system of timber monitoring) <i>The FLEGT license is compulsory for all shipments exported to the EU market</i>

□ *European policies*

Another element of FLEGT Action Plan is to establish purchasing policies at the European level that seek to eliminate illegal timber supplies. The new law of Due Diligence, which should come into force in 2012, bans the import and trade of illegal timber on the European market. Most importantly, it lays out the obligations of operators who place timber (or timber products) on

the European market (importers) as well as those of actors who are part of the European timber industry.

Importers, who are the main target of this new legislation, must ensure traceability upstream and a minimum verification of the legitimacy of the timber they are bringing into the European market: the principle of due diligence.

**Box 2.4: The Lacey Act**

*World Resources Institute - Washington*

On 22 May, 2008, the US Congress passed a landmark amendment to the 100 year-old Lacey Act, the United States' oldest wildlife protection statute. Although the statute has been amended several times since originally enacted, for several decades it has prohibited the importation into the United States, or interstate commerce, of wildlife or wildlife parts taken in violation of United States, state, tribal, or foreign laws. The new amendment extends this protection to plants and a variety of plant products - including timber, paper, and other forest products - thereby giving the US government a powerful tool to combat illegal logging.

The Lacey Act, as amended, contains several key components:

- It prohibits the import, export, transport, sale, receipt, acquisition, or purchase in interstate or foreign commerce of any plant or plant product (e.g., furniture, paper, or lumber), with some limited exceptions, taken or traded in violation of the laws of the United States, a US state, a US Indian tribe, or another country. This prohibition is fully in effect and applies to importers and exporters operating in the United States. Therefore, if a tree is harvested in violation of the law of the country of harvest, it is illegal to import timber from that tree into the United States. It is also illegal to import into the United States wood products made from that tree.
- It establishes a Plant Import Declaration that requires an importer to provide basic information about each shipment of plants or plant products, including the scientific name of the plant, value, quantity and the name of the country in which the plant was harvested. Falsification of this information is unlawful. Unlike the prohibition element of Lacey, which is fully in force, enforcement of the Declaration requirement is being phased in over time, to cover an expanding range of products moving from simpler products like lumber to more complex composite products.
- It establishes penalties for violations of the Act, including forfeiture of goods and vessels, fines and jail time.



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**Photo 2.6: A SEFCA logging truck transporting logs to a sawmill in CAR**

## Log production in the formal sector

Only production in the industrial and formal sectors is concerned in these processes. Production in the small scale sector and/or informal sector is also important and can even exceed production in the formal sector, as shown by recent studies undertaken in Congo, CAR and DRC. In most instances, this sector constitutes the main timber supply source for the domestic market. Chapter 4 of this report deals specifically with this sector.

In 2007, after a fifteen-year period of slow growth, the forest sector in Central Africa produced nearly 9 million m<sup>3</sup> of logs. Production dropped in 2008 because of the international economic crisis, which affected the tropical timber market (see chapter 9). Although a complete set

of figures for 2009 is not yet available, production, which fell to about 6 million m<sup>3</sup> in 2008, most probably increased at the end of 2009 to a little above 8 million m<sup>3</sup>. This was partly due to a significant increase in log production by Gabonese producers (see below).

This production level puts Central Africa at the bottom of the three big forest basins that produce tropical timber, representing only 3 % of global tropical timber log production and 0.4 % of global round wood production (table 2.5). Central Africa, however, produces a little more than 40 % of African timber.

**Table 2.5: Global tropical timber production (x 1,000 m<sup>3</sup> per year) in 2008**

	Logs	Sawnwood	Plywood
Congo Basin	7,815 (3 %*)	1,524 (2 %*)	117 (1 %*)
Africa out of Congo Basin	10,248	3,077	290
Asia-Pacific	94,413	29,346	12,834
Latin America / Caribbean	122,615	31,941	4,282
<b>Total of the global production</b>	<b>235,091</b>	<b>65,888</b>	<b>17,523</b>

(\*) Part of the total of the global production. Figures of tables 2.5 and 2.6 are different because the source of data is different.

Source : ITTO.

### Production by country

With more competitive production costs and high reserves of okoumé, **Gabon** has, since 1999, been the largest log producer in the Congo Basin, with an average annual production of over 3 million m<sup>3</sup> (table 2.6). According to official figures provided to OFAC, the 2008 crisis lowered production to 2 million m<sup>3</sup>. The year 2009 showed a record production of nearly 4 million m<sup>3</sup>. This record amount was linked to the entry into force of a ban on log exports, which boosted production at year end. It is still too early to judge the impact of the export ban on the Gabonese industry. Operators are in a period of adjustment and flexibility measures could be taken in 2011, including possible exemptions for log exports.

Over the past two decades, production in **Cameroon** has remained constant at a little over 2 million m<sup>3</sup> of logs (with the exception of the year most heavily impacted by the economic crisis). This is due to the relative socio-political

stability in the country and superior logistical logging conditions, which include relatively good transport infrastructure over a large part of the country. Another reason is the diversity of its production, which means it can face market fluctuations more easily than forest areas that are largely dependent upon one or a few species.

Following these two leaders, the **Republic of Congo** has maintained its position at 1.3 million m<sup>3</sup> after almost the entire north of the country was put into production in early 2000.

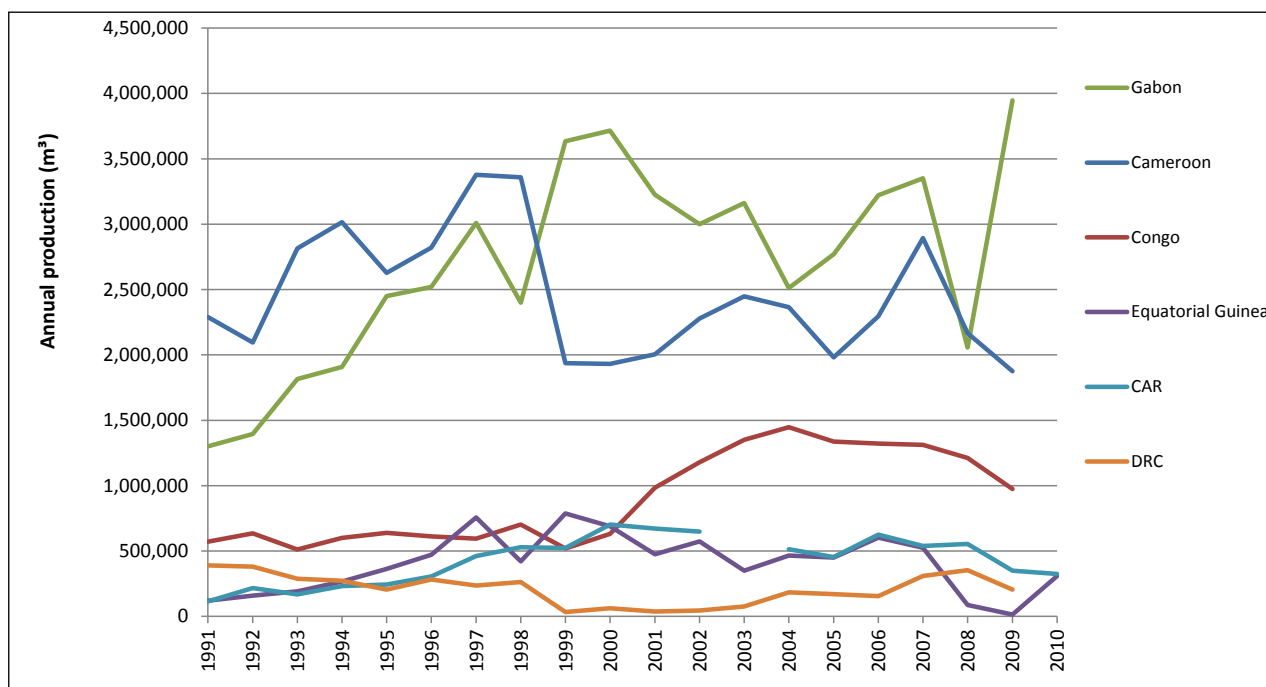
Production in the **Central African Republic** remains limited at about 500,000 m<sup>3</sup> per year. As in the north of Republic of Congo, transport costs to the port of Douala (a distance of about 1,000 km) are high and can exceed € 150 per m<sup>3</sup>. These costs limit diversification of the species that are produced. This area does however benefit from an abundance of high-value species such as sapelli, sipo and aniégré.



**Table 2.6: Evolution of log production in the Congo Basin (in m<sup>3</sup> per year)**

Year	Cameroon	Congo	Gabon	Equatorial Guinea	CAR	DRC	Total
1991	2,290,000	572,000	1,300,000	121,327	114,081	391,000	4,788,408
1992	2,096,000	635,000	1,395,000	159,531	217,189	380,000	4,882,720
1993	2,815,000	511,000	1,815,000	191,236	167,752	288,000	5,787,988
1994	3,016,000	600,000	1,909,000	266,724	231,409	272,000	6,295,133
1995	2,628,000	638,437	2,450,000	364,158	243,859	204,868	6,529,322
1996	2,820,000	612,891	2,520,000	471,165	305,464	281,808	7,011,328
1997	3,378,000	595,742	3,010,000	757,174	461,046	235,963	8,437,925
1998	3,358,000	703,405	2,400,000	421,933	529,653	262,874	7,675,865
1999	1,937,778	519,929	3,635,000	788,575	522,808	34,003	7,438,093
2000	1,931,515	630,878	3,715,000	689,169	702,994	61,998	7,731,554
2001	2,004,028	985,116	3,225,000	475,795	671,239	38,045	7,399,223
2002	2,278,371	1,179,272	3,000,000	574,155	649,714	44,320	7,725,832
2003	2,448,147	1,350,408	3,161,000	350,675		76,062	
2004	2,366,144	1,448,033	2,511,000	464,979	513,352	183,103	7,486,611
2005	1,982,129	1,336,826	2,769,902	450,258	454,402	169,946	7,163,463
2006	2,296,254	1,322,322	3,220,957	602,854	624,861	155,009	8,222,257
2007	2,894,221	1,311,905	3,350,678	524,799	537,998	310,000	8,929,601
2008	2,166,364	1,212,118	2,057,537	88,097	555,143	353,247	6,432,506
2009	1,875,460	974,529	3,947,231	13,760	348,926	205,602	7,365,508
2010				309,849	324,283		

Sources: OAB, 2004; OFAC; Nasi et al., 2006; FRM, 2001; Gabon: Christy et al., 2003; SEPBG, DDICB, Direction de la production forestière, inspections provinciales des eaux et forêts, DGEF; Cameroon: Topa et al., 2010; Cerrutti & Tacconi, 2006; MINFOF/SIGIF; DRC: DGF; Republic of Congo: DDEF annual reports, Equatorial Guinea: Ministerio de Agricultura y bosques.



**Figure 2.4: Evolution of annual log production by country (in m<sup>3</sup> per year)**

Sources: see table 2.6.

Between 2007 and 2009, production in **Equatorial Guinea** dropped significantly. This was predominantly linked to the departure of the Shimmer International enterprise (from the Malaysian group Rimbunan Hijau) and to the previously-taken decision to ban log exports in 2007 and then to cancel all forestry concessions to allow forest regeneration (de Wasseige *et al.*, 2009). In 2008, for the first time, Equatorial Guinea exported more logs (150,000 m<sup>3</sup>) than it logged (100,000 m<sup>3</sup>) as part of the 2007 production was carried over for export in 2008. Shimmer returned in 2009 and in 2010 log production reached nearly 310,000 m<sup>3</sup>, 40 % of which was produced by Shimmer. The national market con-

sumes between 5 and 10 % of total production. The rest is exported, mainly in the form of logs (85 %) (Obiang Mbomio, 2010).

With its 84 million hectares<sup>6</sup> of dense forest land, the **DRC** is the sleeping giant of the sub-region, with production in the formal sector struggling to regain the level it had reached before the 1999-2003 armed conflict. At around 300,000 m<sup>3</sup> per year, that level was already low. There are many challenges that prevent this activity from being developed. These are the relative low value of the forest, as well as logistical constraints including particularly poor transport infrastructure and the congestion of Matadi, which is its only export port.



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*Photo 2.7: Logging road in the south of CAR*

### Production provision by type of forest title

Forestry legislation provides for several types of forest title. Until today, production has mainly been through forest titles that have been granted to permanent forests. A very limited amount of production is provided by forests belonging to other forms of land tenure such as community forests, municipal forests or private forests.

In Cameroon, “timber recovery permits”, initially conceived for specific situations requiring

trees felling (agro-industry plantation, engineering works, road construction...), provide a large proportion of production. From 7 to 10 % between 2005 and 2008, this increased to 14 % in 2009 (OFAC), as more permits were granted during the crisis period. In all other countries in the region, long duration forest titles (more than 15 years) represent over 90 % of the formal sector’s national log production.

<sup>6</sup>Source : compilation of UCL, JRC and SDSU data on land use.

## Production by species

With 1.4 million m<sup>3</sup> of logs produced in 2008, okoumé remains the most logged species in Central Africa (see figure 2.5). At the start of forest logging, more than a century ago, Gabon provided 100 % of the very low production of this species, falling to 70 % in 1999 and to 55 % in 2008 during the economic crisis. Republic of Congo, the second producer of okoumé, guarantees about 20 % of Central African production.

Sapelli is in second position with 1.3 million m<sup>3</sup> per year with production spread across the whole of Central Africa, but with Republic of Congo and Cameroon as primary producers.

Ayous is the third most logged species with about 900,000 m<sup>3</sup> per year that is essentially provided by Cameroon.

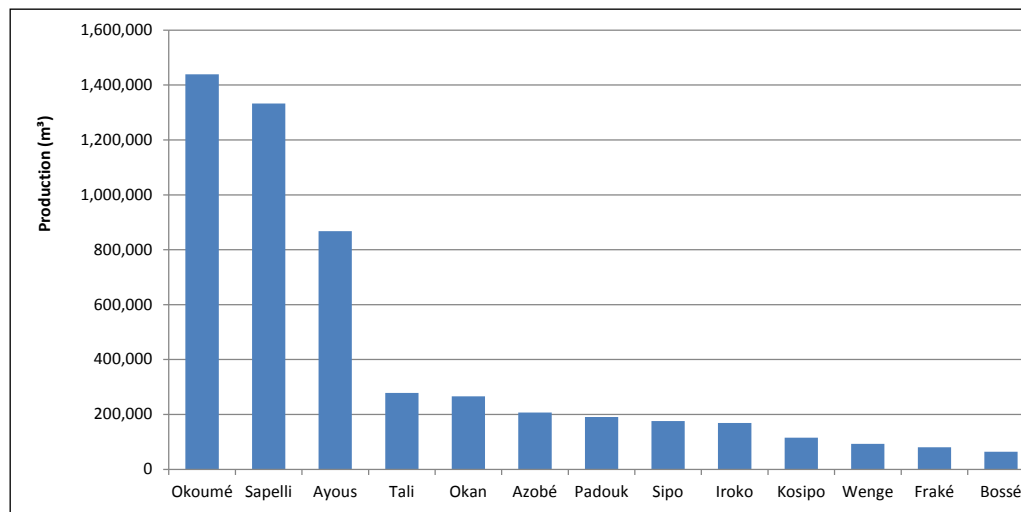


Figure 2.5: Production by species in the Congo Basin in 2008 (m<sup>3</sup> per year)

Source: OFAC.

Other logged species do not exceed, or only just exceed, 200,000 m<sup>3</sup> per year. There are various reasons for this relatively low level: some species offer a limited potential that has already been fully exploited (such as sipo or iroko) due to their wide dispersion over a vast area of forest. Species, such as wengé, which is mostly found in DRC, have a localized range or abundance. Some species are not fully exploited because there is no market for them and/or the price does not guarantee their cost-effectiveness for concessions that

are far from ports. This is the case for tali, where production (about 200,000 m<sup>3</sup> per year) could be higher if markets were stronger. The same holds true for okan and padouk.

As already mentioned, a major constraint with regards to product diversification is the unfavorable relationship between the sale price of so-called secondary species and the cost price of their production (transportation and FOB<sup>7</sup> costs included).

<sup>7</sup>FOB : Free On Board

## Forest plantations

Forest plantations currently occupy a limited space in Central Africa, both in terms of area and in terms of production.

**Table 2.7: Planted areas in Central Africa**

Country	Planted areas (ha)	Year	Source
Cameroon	7,776	2008	
Gabon	46,767	2009	DIARF
Equatorial Guinea	13	1999	CUREF
CAR	Not available		
DRC	345	2007	SNR
Congo	70,000	2007	Annual reports of DDEF and SNR, for the EFC company

Source: OFAC.



**Photo 2.8: Sawmill in northern Congo**

At the regional level, it should be noted that EFC (*Eucalyptus et Fibres du Congo*) eucalyptus plantations in Pointe-Noire are still the exception to the rule. Given a long-term 99-year lease, they produced nearly 250,000 m<sup>3</sup> in 2007, which is about 16 % of national round wood production in the Republic of Congo (see box 5.2).

Several plantation programmes are under way on the Batéké plateau, to the north of Kinshasa in DRC. From 1987 to 1992, over 8,000 hectares of acacias were planted in Mampu and are now managed using an agro-forestry approach. Ibi plants comprise the first carbon sinks to generate carbon credits in Central Africa. Finally, the Makala<sup>8</sup> project specifically aims to encourage agro-forestry plantations in villages.

While forestry plantations currently occupy a limited space in Central Africa, they will most probably need to increase in the coming years given the high demand for woodfuel, availability of land, government awareness, and the interest of private investors. The government of the Republic of Congo has announced its intention to devote approximately one million hectares to forestry plantations. In Gabon, investors are currently evaluating the possibility of re-establishing and extending former okoumé plantations.

## Industrialization of the timber trade

### Legal requirements

Countries are increasingly making legitimate demands on operators in the sector to ensure better optimization of forest logging. The following list gives the current minimum conversion rates that States impose on each operator, i.e. the volume of logs to be processed in the country:

- Republic of Congo: normally 85 %, but exceptionally lowered to 70 % during international economic crisis (a measure that was extended to 2011), with the possibility for operators to exchange quotas;

- Gabon: 100 % since the end of 2009. It is possible that export quotas could be granted for 2011;

- Cameroon: the sale of some species in the form of unwrought logs is forbidden. The list of the concerned species appears under MINEF Decree No. 0872 of 16 October 2001;

- Central African Republic: 70 % since 2008;
- DRC: at least 70 % (quotas are fixed for each operator) for ten years for processing unit holders and national users;

- Equatorial Guinea: 100 % since 2008.

<sup>8</sup> <http://projets.cirad.fr/makala>



## Real industrialization rates

The effective processing rate has significantly increased in recent years to reach 54 % for the period 2005-2008 (table 2.8). Nevertheless, Central Africa processes its tropical timber less than the

rest of Africa, South America or Asia. It should be noted that there was a drop in processing rates in DRC because of the armed conflict in the country.

**Table 2.8: Calculation of processing rates (%)**

Country	1993-1999	2005-2008(*)
Cameroon	57	88
Congo	42	57
Gabon	15	37
Equatorial Guinea	Not available	11
CAR	77	59
DRC	69	39
Central Africa	42	54

(\*) Calculations are based on available data for the period and on a case-by-case basis established using either the proportion of timber in factory out of total exports + timber in factory, or non-exported timber out of log production.

Sources: 1993-1999: ITTO; 2005-2008: OFAC

Gabon went through a first phase of industrialization at the end of the 1990s. Domestic log consumption stagnated at between 20,000 and 50,000 m<sup>3</sup> per year during the period 1970-1998 (Christy *et al.*, 2003) but it has exceeded 100,000 m<sup>3</sup> per year in recent years. In the coming years, the country should increase its industrial capacity further so that it can adjust to the recent ban on log exports which led to the creation of a number of new industrial projects.

DRC is still suffering the consequences of the armed conflicts that seriously affected its industrial sector. Formal production remains

very under-developed and factories are primarily in Kinshasa. With its large domestic market and dynamic small scale operators, the country should recognize potential advantages to be had through industrial development and promote a timber industry that combines the small scale and industrial sectors. The other challenge the country faces is to increase the overall level of contribution the formal industrial sector makes (which is currently very small when compared to other large tropical timber countries), by developing other species, in particular peeling species.

## Industrial production

The main product in Central Africa, sawn wood, is a primary processing product. It amounts to an annual production of about 1.2 million m<sup>3</sup>. A large proportion of products that are destined for export are artificially dried. In recent years, some secondary processing units for planed sawn wood have appeared, but this product is still relatively uncommon (in the range of 5 % of total sawn wood production). The main secondary processing product in Central Africa is plywood with an approximate annual production of 350,000 m<sup>3</sup>.

Most secondary processing products constitute a small proportion of the industrial sector and are mainly destined for export. Local needs are mostly met by the small scale sector.

It should be noted that there has been a sharp decline in wood slicing. The largest production unit in DRC (SIFORCO factory in Maluku) and the only wood slicing factory in Gabon have ceased their activities. A small unit has just been established in Libreville by the Swiss group, Precious Woods.

Peeling is an activity that is still very present in Gabon due to the outstanding qualities of okoumé for this kind of processing. It is also very important in Cameroon (especially with the Italian group Alpica).

## Exports

Most industrial products are exported. The local market gets its supplies primarily from the small scale sector. With a few notable exceptions, industrial operators only occupy a small space in domestic markets. Such is the case for the plywood sector in DRC, which works only with the domestic market. The regional market is also still very under-developed in Central Africa, as it is on the rest of the continent, but it offers great potential.

The leading export destinations are the European Union and Asia. Asia is now the main exportation hub, receiving about 60 % of total exports during the period 2005-2008. It strengthened its position in 2009, at the height of the crisis, by exceeding 70 % of total exports.

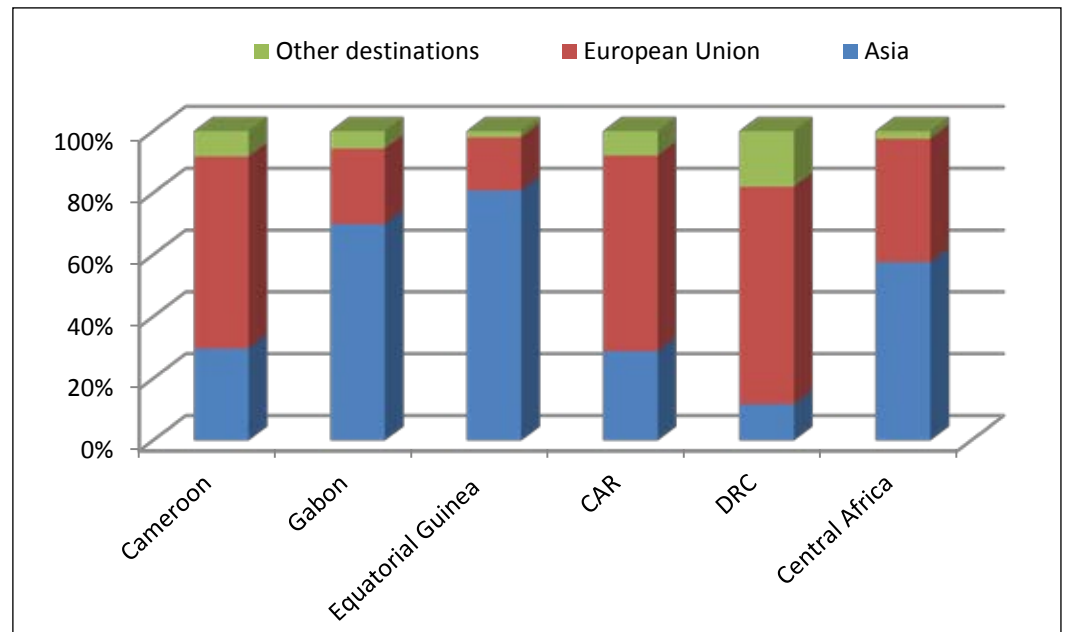


Figure 2.6: Destination of log exports by country for the period 2005-2008 (% exported by each country)<sup>9</sup>  
Source: OFAC.

## The main producers

For years the French Group Rougier has been the leading producer in this sector. In 2010, the group finished managing its nearly 2 million hectares of concessions.

Three main Asian groups are involved in the forestry sector in Central Africa: Vicwood (China), Taman and Rimbunan Hijau (Malaysia). Large Asian groups, including the Singaporean group OLAM, which has just acquired Timber International (TI) from the DLH group (active foresters and industrialists in the Republic of Congo and Gabon) are increasingly present on the Central African forestry scene.

The ten main operators account for between 40 to 50 % of sub-regional production. Alongside the big industrial operators in the sector, which are mainly financed from abroad, there is a group of small industrial operators with limited capacity and equipment that work on smaller areas of the forest. One of the challenges in the coming years is for these small operators to acquire professional status in forest management and industrial processing.

<sup>9</sup>Data for the Republic of Congo is not available. Data for other countries is not available for each year, preventing the presentation of detailed figures.

**Table 2.9: The main producers of tropical timber in Central Africa**

Group or company	Country of activity	Average level of log production(m <sup>3</sup> per year)
Rougier	Gabon, Cameroon and Congo	600 to 700,000
Rimbunan Hijau	Gabon and Equatorial Guinea	400 to 500,000
OLAM	Congo and Gabon	300 to 400,000
Vicwood	Cameroon, CAR and Congo	300 to 400,000
Danzer	Congo and DRC	250 to 350,000
Precious Woods <sup>10</sup>	Gabon	200 to 300,000
Taman	Congo	200 to 300,000
Alpicam	Cameroon	200 to 300,000
Asia Congo Industrie	Congo	150 to 250,000
SEFCA	CAR	150 to 250,000

Sources: OFAC, SEPBG, personal surveys undertaken by the authors. It is an evaluation of the post crisis production level for 2010. Available data does not allow more precise figures to be provided.

In Gabon, the government has shown an interest in becoming involved in forest management (from production to processing) through the State entity SNBG (*Société nationale des Bois du Gabon*) which has been allocated forest conces-

sions that are currently going through the management planning process. In 2009, SNBG put in a bid to acquire the company “*Bois Tranchés du Gabon*”.

## Conclusion: Challenges to be met in the coming years

A review of the forestry sector in Central Africa and its evolution highlights the challenges that need to be met in the coming years.

### In forest management:

- Provide the skills to allow forestry administrations to implement their policies;
- Extend sustainable forest management to all areas of production forests, while adapting to new situations (smaller concessions, new operators);
- Strengthen the capacity of forestry monitoring bodies to ensure that they can monitor the effective implementation of management plans;
- Revise management plans to include amendments that will strengthen planning requirements (better investigative tools, objectivity by being under a management plan);
- Continue to increase the awareness of industrial operators of what is at stake, i.e. the benefits and constraints of sustainable development.

### In the timber industry:

- Meet the expectations of US and European markets to verify the legitimacy of imported timber by initiating or completing ongoing processes (FLEGT, Lacey Act);
- With a significant increase in local processing rates in recent years, the current challenge is to further diversify processed products by developing industrial processing and encouraging the use of timber in African countries;
- Publicize the advantages of tropical timber and the sustainable management of the forests that produce the timber.



**Photo 2.9: Forest inventories involve both the identification of species, in this case a *Manilkara* in the CAR, and the taking of dendrometric measurements**

<sup>10</sup>The Precious Woods Group has also a minority interest in the NST group but not taken into account in this table.