Assessing progress in forest law enforcement and governance in Africa
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List of acronyms and abbreviations

AfDB African Development Bank
ACP-FLEGT Africa-Caribbean-Pacific - Forest Law Enforcement and Governance Programme
AFLEGT Africa Forest Law Enforcement, Governance and Trade
ANRC African Natural Resources Centre
ATO African Timber Organization
CAF Contrôle de l’aménagement forestier
CAR Central African Republic
CCTS Chain of custody traceability system
CFAD Concession Forestière d’Aménagement Durable
COMIFAC Commission Interministérielle des Forêts d’Afrique Centrale
CSO Civil society organization
CTC Comité Technique de Coordination
DRC Democratic Republic of Congo
EC European Commission
ECCAS Economic Community Of Central African States
ECEAS Economic Community of East African States
ECOWAS Economic Community Of West African States
EITI Extractive Industries Transparency Initiative
EU European Union
FAO Food and Agricultural Organization
FDA Forestry Development Authority
FLEG Forest Law Enforcement and Governance
FLEGT Forest Law Enforcement, Governance and Trade
FMC Forest management contract
FSC Forest Stewardship Council
GDP Gross domestic product
GEMS Global Environment Management Support
HCVF High conservation value forest
ITTO International Tropical Timber Organization
LEITI Liberian Extractive Industries Transparency Initiative
NGO Non-governmental organization
PAGOS Programme d’Appui à la Gouvernance Sectorielles
PAPPFG Projet Aménagement des Petits Permis Forestiers Gabonais
PCI Principles, criteria and indicators
PEF Permis d’Exploitation Forestière
PEFC Program for the Endorsement of Forest Certification
PFA Permis de gré à gré
REDD Réduction des Emissions Issues de la Déforestation et de la Dégradation des Forêts
RWE Round wood equivalent
SADC Southern African Development Community
SFM Sustainable forest management
SGS Société Générale de Surveillance
TLAS Timber Legality Assurance System
UK United Kingdom
UNFF United Nations Forum on Forests
USA United States of America
VPA Voluntary partnership agreements

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Executive Summary

This report aims to initiate the process of supporting timber-exporting African countries in combating illegal timber harvesting and trade. It focuses, in particular, on Forest Law Enforcement and Governance (FLEG) national strategies and the implementation of European Union Law Enforcement, Governance and Trade Voluntary Partnership Agreements (EU-FLEGT VPAs).

The report is largely based on a desk review of the global forestry context and the technical and institutional aspects of voluntary partnership agreement ratification, as well as current constraints to ratification. Three African countries (Côte d’Ivoire, Gabon and Liberia) were specifically studied in field research. Indonesia, as possibly the most advanced country in voluntary partnership agreement implementation worldwide, was also studied. A total of 77 stakeholder group representatives were interviewed in the field research, while analysis of secondary data was performed for Cameroon and the Southern Africa sub-region.

This report considers forestry governance to be more than law enforcement. It also includes the political, institutional and cultural frameworks through which interests in forest resources are coordinated and controlled. It incorporates the rules adopted to organise and manage activities to serve larger social objectives and to solve conflicts between stakeholder groups, the functioning of institutions and their acceptance by the public, and the broader efficacy of government.

In 2013, African countries exported timber products worth about USD 4.5 billion. Of these, three-quarters were primary products (logs, sawnwood and veneer). The rest were processed products. The same year, timber imports to African markets amounted to USD 6.5 billion, of which 8% (USD 526 million) were intra-regional. Sawnwood was the most important timber import with 31% of the total (USD 2 billion).

African timber producers and exporters are mainly located in Central Africa (Congo Basin), with others located in West and East Africa, while importing countries are found in Northern, Western, Eastern, and Southern Africa. The export and import markets within Africa present an opportunity for intra-African trade, with substantial benefits for the populations of both importers and exporters. Sub-regional communities such as the Economic Community Of West African States (ECOWAS), Economic Community Of Central African States (ECCAS), Economic Community of East African States (ECEAS) and Southern African Development Community (SADC) have a role to play in such integration by, for example, addressing trade barriers and transaction costs.

With the possible exception of Liberia, all or nearly all closed tropical forests in West Africa have already been logged at least once, while, although easily accessible forests in Central Africa have been cut over, large areas of primary forests remain. Generally, long-term and large-scale privately managed forest concessions dominate timber production in Liberia and the Congo Basin, where the most active companies are foreign-owned, traditionally by investors from Europe but more recently from Asia. The concession model originated in the colonial era but its current governance structure has changed over the past two decades in line with structural adjustments and political commitment to the sustainable management of forest resources that became part of the international policy agenda at the Earth Summit in Rio de Janeiro, Brazil in 1992.
The forestry governance issues common to most countries of Africa include:

• Poor enforcement of forestry laws and regulations
• Invasive political influence on forestry policy and decision making
• Lack of land-use planning
• Lack of coordination between government ministries
• A substantial but poorly monitored informal sector

In addition to its impact on biodiversity and the environment, illegal logging has a high societal cost in terms of revenue forgone by governments. Moreover, there are substantial negative effects from forest and environmental damage on the livelihoods of forest-dependent poor.

The international community has launched several initiatives to curtail illegal logging. This includes regional ministerial conferences on forest law enforcement and governance in Africa, Asia and Eastern Europe, the Forest Law Enforcement Governance and Trade Action Plan of the European Commission, the G8 Illegal Logging Dialogue forest certification scheme, and a multitude of other initiatives and declarations promoted by different actors. The Africa Forest Law Enforcement and Governance initiative launched in October 2003 has been all but abandoned.

The 2003 European Union Forest Law Enforcement Governance and Trade Action Plan emphasises governance reform and capacity building. It includes demand-side measures to reduce the consumption of illegally harvested timber in the European Union and around the world. One of its key elements is a voluntary licensing scheme under which FLEGT partner countries sign a bilateral volunteer partner agreement with the European Union. Six countries have concluded such volunteer partner agreements. Five of them are in Africa – Ghana (2009), Cameroon (2010), Republic of Congo (2010), Liberia (2012) and Central African Republic (2012). There is also one Asian country, Indonesia (2013). Indonesia is set to become the first country to issue forest law, enforcement, governance and trade licenses.

The most important achievements of the Forest Law Enforcement, Governance and Trade Action Plan seem to be related to “equity” in the engagement of diverse national stakeholders in the volunteer partnership agreement process. Capacity building of civil society and government has been relatively effective. However, engagement of private sector stakeholders has remained weak, despite a number of initiatives led by international non-governmental organisations (NGOs) and business associations. In many countries, first steps in policy reforms have been made, but a lot remains to be done, particularly in terms of implementing new legislation.

The most effective sub-regional African initiatives on forestry law enforcement and good governance have been taken in Southern Africa through the Southern African Development Community (SADC) and in Central Africa with the Central African Forests Commission, often referred to in the forestry sector as ‘COMIFAC,’ the acronym derived from the Commission’s name in French — Commission Interministérielle des Forêts d’Afrique Centrale.

The 2013 SADC Forest Law Enforcement, Governance and Trade plan aims to strengthen the implementation of forest law enforcement, governance and trade activities nationally and regionally by raising awareness and resources, as well as
by improving coordination and a sense of purpose. In addition to the fight against illegal logging and trade in illegal timber products, SADC's forest law enforcement, governance and trade plan is committed to addressing the “formalisation” of informal trade in forest products. The SADC plan goes beyond the promotion of legality in timber harvesting and trade to embrace the wider area of sustainable forest management and intra-regional trade.

The Central African Forests Commission was created in 2000. It is the political and technical body for orientation, coordination and decision making with respect to conservation and sustainable management of forest ecosystems in Central Africa. It harmonises and coordinates the forestry and environmental policies of its member states. One of its most noticeable achievements is the 2008 sub-regional agreement on forest control in Central Africa. That agreement is applicable to activities related to logging, processing, monitoring, evaluation and transport of forest products from the Central African sub-region both nationally and sub-regionally. The agreement allows for joint law enforcement activities between officers of neighbouring countries. The Commission has promoted and supported other regional and sub-regional initiatives, is seen as a reliable partner organisation in forestry governance. Financing constraints, however, limit its effectiveness.

Forest certification (the main private initiative), independent observer projects, membership in the Extractive Industry Transparency Initiative (EITI) and capacity building initiatives complete the range of mechanisms to support forestry legality and sustainability.

The Forest Law Enforcement, Governance and Trade Action Plan uses the demand for tropical timber products by European markets as leverage to obtain reforms in forestry governance. All systems under development are oriented towards monitoring overseas timber exports. Forest certification, although currently stalled in Africa, is a market instrument used for environmentally sensitive markets in Europe, the United States and Japan.

The main gaps in forestry governance are still to be found in national and intra-African timber markets, which are growing sharply and creating a strain on forest resources and biodiversity. They also create a strain on the livelihoods of people living in forested areas. To have a decisive impact, it would be useful for the African Development Bank to implement a regional programme to promote legality in national and intra-African timber markets.

A regional programme for the promotion of legality in African timber trade would aim at improving the contribution of the forestry sector to African economies through trade in legal timber products between African sub-regional markets. The overall objective of such a programme would be to contribute to African economic integration by promoting domestic consumption and the intra-African trade of legally produced timber and processed wood products.
1. Background

Objectives

This report was commissioned as part of efforts to initiate support – in particular, through the preparation of forest law enforcement and governance national strategies and the implementation of European Union voluntary partnership agreements on forest law enforcement, governance and trade – for timber-exporting African countries combating illegal timber harvesting and trade. It is also to guide future initiatives of the African Natural Resource Centre in this area. More specifically, the report documents systems and processes to test for compliance with European Union forest law enforcement, governance and trade voluntary partnership agreement regulation. It provides inputs for the Centre’s support to implementing the African Forest Law Enforcement and Governance Action Plan by providing guidelines for the preparation of forest law enforcement and governance national strategies.

Focus

This report primarily examines relevant action in both the European Union (and other consumer markets) and producer countries (voluntary partnership agreement and non-voluntary partnership agreement countries) as well as the development of multilateral cooperation frameworks to fight illegal logging. This includes such global initiatives as REDD+1, and those by the International Tropical Timber Organization, the Food & Agriculture Organization of the United Nations and the United Nations Forum on Forests. Particular attention was paid to the implementation of the African Forest Law Enforcement and Governance Action Plan. It should also provide an opportunity to engage or re-engage with key stakeholders and to compile, evaluate and summarise the expectations of different African Development Bank regional member countries and their partner institutions regarding future action. The report contributes to informed decision making by African Natural Resources Centre, African countries and key stakeholders based on a comprehensive analysis of progress after 12 years of the Forest Law Enforcement, Governance and Trade Action Plan, and 12 years since the African Forest Law Enforcement and Governance Declaration and Action Plan.

2. Methodology

The report is largely based on a desk review to shed light on the global context of the forestry sector, to describe the technical and institutional aspects of voluntary partnership agreement ratification and to analyse current constraints (legal frameworks, financial and human resources etc.). Three countries of the initial seven expected were visited: one voluntary partnership agreement country (Liberia) and two non-voluntary partnership countries (Côte d’Ivoire and Gabon). The study also explored data on Cameroon and the Southern Africa sub-region. A total of 77 stakeholder group representatives were interviewed (Table 1) and their perceptions and opinions recorded through a semi-structured interview. The interviews covered:

- a: trends and dynamics of the forestry sector and forest resources
- b: main governance problems faced by the forestry sector
- c: initiatives taken by stakeholder groups to improve governance and law enforcement within the forestry sector
- d: impacts of forestry governance programmes and initiatives to date
- e: priority value chains and areas for future intervention aimed at improving governance in the sector
- f: suggestions and recommendations for future African Development Bank activities.

Detailed reports of the three country visits are in Annex 1.
### TABLE 1: Number of stakeholder group representatives interviewed in each country.

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Côte d'Ivoire</th>
<th>Gabon</th>
<th>Liberia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>20</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>CSOs</td>
<td>9</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Community forests</td>
<td>5</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Regional/international organisations</td>
<td>—</td>
<td>5</td>
<td>—</td>
</tr>
<tr>
<td>Donor/donor projects</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>19</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>

Indonesia was included in the desk study because it is possibly the most advanced country in voluntary partnership agreement implementation.

### 3. Study findings

#### 3.1 Forestry governance

Forestry governance is any effort to coordinate human action towards goals (Rayner et al, 2010). In the common distinction between government and governance, the latter is usually taken to refer specifically to coordination mechanisms that do not rest on the authority and sanctions possessed by states (Stoker, 1998). It signifies a recognition that the state and its bureaucratic apparatus alone cannot be relied upon to provide all public goods (Grant et al. 2016), nor all the inherent governance arrangements.

Forestry governance is not limited to law enforcement but includes the political, institutional and cultural frameworks through which the diverse interests in forest resources are coordinated and controlled (Cronkleton et al, 2008). Governance incorporates the rules adopted to organise and manage activities to serve larger social objectives and solve conflicts between stakeholder groups, the functioning of institutions and their acceptance by the public, and the broader efficacy of government (Laird et al, 2010). Some qualities of good forestry governance include (Higman et al, 2005):

- **The rule of law**, or fair legal frameworks that are impartially enforced.
- **Transparency**, or decisions taken in accordance with agreed rules.
- **Equity**, or citizens’ feeling they have a stake in, and are not excluded from, society.
- **Efficiency**, or citizens’ and institutions’ producing results that meet the needs of society while making the best use of resources at their disposal.
- **Accountability**, or governmental institutions, private sector enterprises and civil society organisations answering to those who are affected by their actions.

#### 3.2 The African timber trade

An International Tropical Timber Organisation report (Erling et al., 2016) estimates that Africa exported timber products worth about USD 4.5 billion in 2013. Three quarters were primary products (logs, sawnwood and veneer) and the rest were processed products. Logs and sawnwood still occupy more than half of regional timber exports. Log exports have remained in the range of USD 1 billion and those of sawnwood amounted to about USD 1.4 billion in 2013, with a slow growth trend.
Only 8.3% of the total was directed to intra-regional markets. In the same year, African imports of timber products were worth USD 6.5 billion, of which intra-regional imports constituted 8%. Log imports amounted to USD 445 million with a slow negative trend, while sawnwood took up the largest proportion of imports, accounting for 31% of the total.

Additionally, there are important timber flows within Africa that are not monitored systematically. A report by Eba’a Atyi et al., (2016) estimates annual exports from Cameroon to neighbouring countries (mainly Chad and Nigeria) at about 200,000m³ of sawnwood, while Democratic Republic of Congo and Côte d’Ivoire export 150,000m³ and 120,000m³ of sawnwood, respectively, over their borders and Ghana exports an estimated 115,000m³ timber and wood products overland per year (Marfo et al., 2014).

The main timber-exporting African countries (mainly to Europe and Asia) are in the Central and West Africa sub-regions (Figure 2). From Central Africa, Gabon, Cameroon, Republic of Congo, Central African Republic and Democratic Republic of Congo annually export about five million m³ of round wood equivalent (RWE) (FAO, 2011), with Asia (essentially China) accounting for about 50% of this volume. The main exporters to Asia and Europe are Gabon and Cameroon, in that order, and they also supply intra-African markets. However, their total exports to African markets represent only about 10% of their aggregate RWE exports.

Liberia, Ghana and Côte d’Ivoire export timber products from West Africa. According to the International Tropical Timber Organization database, Ghanaian annual exports of processed products are about 448,000m³ while the ministry in charge of forests in Côte d’Ivoire reports that timber exports to overseas markets are about 350,000m³ per year. Neither country exports raw logs. Liberia produces 200,000–250,000m³ of timber annually from its forests, mostly for export to China and Europe (mainly France) as raw logs.

In Southern Africa, Mozambique, which is also an International Tropical Timber Organisation producer member country, exports about 250,000m³ per year, mainly to China.
The major timber-product importing countries are located in Northern Africa and account for about 60% of all African imports of timber products (Erling et al. 2016), while a further quarter go to Southern Africa. Timber imports from both outside and inside the African continent are growing. Northern African countries tend to import unprocessed logs from outside Africa, while West African countries importing raw logs (Ghana, Mauritania, Nigeria), and Eastern and Southern African importers (Zambia, Mozambique, Tanzania, Rwanda, Namibia, South Africa) source their logs from other African countries.

The story is somewhat different for processed products, although Egypt, the biggest import market for timber products in Africa, receives the most important share of its supply from outside Africa.

African timber-products producers and exporters are mainly located in Central Africa (Congo Basin), with a few others in West and East Africa (Figure 3), while countries importing timber products are in Northern, West, Eastern, and Southern Africa. With the exception of Chad (especially for artisanal sawn timber), Central Africa does not represent an import market, at least not for logs and primary processed products, such as lumber or veneer. There are opportunities to integrate export and import markets within Africa by promoting intra-African trade of timber products within a more legal and less informal framework. This would yield substantial benefits to the populations of both timber-exporting and importing countries. Such integration can be facilitated by sub-regional communities – such as the Economic Community of West African States (ECOWAS), the Economic Community of Central African States (ECCAS), the Economic Community of East African States (ECEAS) and the Southern African Development Community (SADC) – addressing trade barriers and transaction costs.
3.3 Industrial timber production in Africa: the forest concession model

In West Africa (Liberia may be the exception), all or nearly all closed tropical forests have already been logged at least once. Meanwhile, Central Africa still hosts large areas of primary forests, even if easily accessible forests have been cut over (ITTO, 2005). Generally, long-term and large-scale privately managed forest concessions dominate timber production in Central Africa’s Congo Basin and Liberia. Most of the active companies involved are foreign-owned by investors, traditionally from Europe, but increasingly from Asia.

The concession model has its origins in the colonial era (Karsenty 2007). However, the current governance regime under which it operates largely stems from two processes that have been developing over the past two decades. On the one side, there are a series of macro-economic structural adjustments while, on the other, political commitment to the sustainable management of forest resources became the norm after the 1992 Rio Earth Summit (Cerutti et al. 2016b).

The International Tropical Timber Organization has a rather positive view of forest concessions as part of what is known as the ‘permanent forest estate.’ These are certain categories of public or private land that must be kept under permanent forest cover to secure their optimal continued contribution to national development. The organisation stresses the need for countries to establish a permanent forest estate...
as one of the conditions for sustainable forest management and to include three categories: protection of forests on fragile lands; those set aside for plant, animal and ecosystem conservation; and production forests (ITTO, 2005; ITTO, 2011). Thus, forest concessions can be production forests within the permanent forest estate. African forest concessions are managed for cutting cycles (the interval between timber harvests) that vary from 25 to 40 years. In the Congo Basin, the cutting cycle for concessions is 30 years, with specific management requirements and denominations for each country (Table 2).

Outside the PFE there are still resources in non-permanent forest that can be converted to other land uses, such as agriculture, but where industrial timber harvesting also occurs.

<table>
<thead>
<tr>
<th>Country</th>
<th>Concession types</th>
<th>Maximum size (ha)</th>
<th>Grant duration</th>
<th>Management requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroon</td>
<td>Timber concession</td>
<td>200,000</td>
<td>15 years, renewable.</td>
<td>- Forest management plan</td>
</tr>
<tr>
<td></td>
<td>Council forest</td>
<td>Undetermined</td>
<td>Undetermined</td>
<td>- 30-year cutting cycle</td>
</tr>
<tr>
<td></td>
<td>Community forest</td>
<td>5,000</td>
<td>Undetermined</td>
<td>- Simple management plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- 25-year cutting cycle</td>
</tr>
<tr>
<td>Gabon</td>
<td>CFAD (forest concession under sustainable management)</td>
<td>600,000</td>
<td>Undetermined</td>
<td>- Forest management plan</td>
</tr>
<tr>
<td></td>
<td>PFA (associated forest permit)</td>
<td>50,000</td>
<td>Undetermined</td>
<td>- Industrialisation plan</td>
</tr>
<tr>
<td>CAR</td>
<td>PEA (forest exploitation and management permit)</td>
<td>Undetermined</td>
<td>Undetermined</td>
<td>- To be integrated into a CFAD, or</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Grouping of many PFAs</td>
</tr>
<tr>
<td>The Republic of Congo</td>
<td>Industrial processing convention</td>
<td>Undetermined</td>
<td>15 years, renewable</td>
<td>- Forest management plan</td>
</tr>
<tr>
<td></td>
<td>Management and processing convention</td>
<td>Undetermined</td>
<td>25 years, renewable</td>
<td>- Forest management plan</td>
</tr>
<tr>
<td>DRC</td>
<td>Timber concession</td>
<td></td>
<td></td>
<td>- Forest management plan</td>
</tr>
</tbody>
</table>

Gabon is a typical example of forest management approaches in the Congo Basin (Annex 1-c). In 2001, Gabon adopted the principle of sustainable forest management through forest concessions in line with the new forest law. The law distinguishes four different logging permits: a) PFA (*permis forestier associé*) that covers up to 15,000ha; b) CFAD (*concession forestière d’aménagement durable*) covering up to 200,000ha; c) community forests for a maximum of 5,000ha; and d) PGG (*permis de gré à gré*) granted in terms of the number of trees to be cut. CFAD are generally granted to big companies with foreign capital from Asia or Europe, while PFA are granted to smaller local businesses (although they can be managed jointly with CFADs). PGG are often granted to local elites selling standing trees to logging companies or to chainsaw millers. Community forestry is slow in development.
In West Africa, there are substantial differences between Ghana and Côte d'Ivoire, on the one side, and Liberia, on the other. In Ghana and Côte d'Ivoire, timber harvesting for industrial processing and overseas export occurs primarily in non-permanent secondary forests. It is estimated that more than 80% of the timber that supplies the forest industry in Ghana is harvested outside forest reserves.

In Côte d'Ivoire (Annex 1-A), the forest domain is divided into two: the PFE and the rural domain that can be converted to other types of land uses. The PFE consists of 231 classified forests that are under the management of SODEFOR (Société de Développement des Forêts), a parastatal created in 1966. Although classified forests are solely for timber production and, in principle, cannot be converted to other types of land uses, they are impacted by the search for farmland. Estimates of encroachment rates vary from 50% (according to government) to 90% (according to civil society).

The rural domain includes secondary forests away from forest galleries, which have been divided into 387 wood lots called périmètres d'exploitation forestière (PEF) that are in the hands of the Central Administration of the Ministry of Waters and Forest. PEF lots are granted to private companies for logging, using the ministry's quota system. It is estimated that these lots are also severely degraded, and private companies are seeking new sources as the harvestable area is decreasing.

Liberia (Annex 1-B) is the most forested country in West Africa. It accounts for about 40% of the region's dense forests. Liberia’s Forestry Development Authority believes that 50% of the estimated 4 million hectares of Liberian forests (of which 1 million are protected) can still be considered as “intact.” Besides community forest management agreements, three types of logging titles can be granted to companies or individuals:

- forest management contracts, which should be subject to a forest management plan with a cutting cycle of 25 years minimum.
- timber sale contracts, which are granted for three years for a maximum land area of 5,000 hectares. After logging, timber sale contract areas areas may be converted to other types of land use.
- private use permits, for which there are still no regulations.

No forest management plan has yet been implemented.

3.4 Governance challenges for the forestry sector in Africa

Stakeholders identified a number of forestry-governance issues in their interviews. The following are common to the target countries visited and probably to most of Africa:

**Poor enforcement of forestry laws and regulations.** Obsolete legal and regulatory frameworks govern the forestry sector and, irrespective of their quality, laws and regulations, are implemented unpredictably. There is a general sense that enforcement is weak due to corrupt practices and influence peddling by political and economic elites.

**Invasive political influence on forestry policy and decision making.** Despite the often-declared political will to fight illegality and promote sustainability in the forestry sector, forest resources attract a great deal of political interest, and are
the object of political pressure in all countries, especially during the granting of timber-harvesting titles. Political pressure, therefore, is a main cause of the lack of transparency in decision making in Africa's forestry sector.

**Lack of land-use planning.** Pressure on forest resources often comes from outside the forestry sector, including from agriculture, mining and infrastructure development. These sectors have a legitimate interest in land use. There should be a conscious process of land-use planning to guarantee development in all these sectors. Unfortunately, in most African countries, there are no land-use plans to guarantee the continued existence of a permanent forest estate alongside other land uses.

**Lack of coordination between government ministries.** Most countries in Africa have 10- to 20-year national development strategies, generally based on agricultural development and the use of natural resources. However, coordination of sector policies through ministries remains weak. The minister of agriculture, for example, may allocate forested land to agro-industry without consulting the department of forestry.

**A large, poorly monitored informal sector.** Traditionally, timber-harvesting and processing systems in African countries have been tailored to supplying overseas markets. National markets have been left to the informal sector, where many small chainsaw operators harvest, process and sell timber products without oversight. However, in the last 20 years, growth in domestic and regional markets has outpaced international ones, despite the impact of emerging markets in Asia. Therefore, the impact on forests from informal operations outweighs that of the industrial sector, precisely because of the sector's informality, and because there are no control or regulatory mechanisms in place.

### 3.5 Initiatives to fight illegal logging and promote forest governance

The international community has launched several initiatives to combat illegal logging. These include regional ministerial conferences on forest law enforcement and governance in Africa, Asia and Eastern Europe. There are the European Commission's Forest Law Enforcement and Governance Action Plan, the G8/NGO Illegal Logging Dialogue, and others. Global awareness of the negative impact of weak environmental governance on economic development grew during the 1990s and made illegal logging a major policy issue (Tacconi, 2007), especially as its effect on forest biodiversity, wildlife habitat, soil quality, access to water, poverty and greenhouse gas emissions became better understood (EFI, 2011). Illegal logging also has a high societal cost because of revenues forgone by government in timber-producing countries (Brown et al. 2007). There are also negative effects on the livelihoods of forest-dependent communities from forest degradation and the resulting environmental damage (SAMFU, 2002).

#### 3.5.1 African Forest Law Enforcement and Governance (AFLEG) initiative

The African Forest Law Enforcement and Governance initiative was put in place in Yaoundé in 2003, in line with the African Forest Law Enforcement and Governance Declaration and Action Plan. Participating governments agreed to:

- mobilise financial resources for forest law enforcement and governance.
- provide economic opportunities for forest-dependent communities to reduce illegal activities.
• promote cooperation between law enforcement agencies within and among countries.
• involve stakeholders in decision making.
• raise awareness of forest law enforcement and governance issues.
• explore means of demonstrating the legality and sustainability of forest products.

Ndikumangenge et al. (2016) suggest that the African Forest Law Enforcement and Governance initiative might have contributed to legal and institutional reforms in the forestry sector in countries of the Congo Basin, implementation of new logging control systems, better monitoring of forestry activities and greater stakeholder participation in forest management. However, African forest law enforcement and governance is moribund, as the political will has not translated into the mobilisation of financial resources.

3.5.2 The Forest Law Enforcement Governance and Trade Action Plan
European Union policy to address the growing problem of illegal logging and related trade was defined in the 2003 Forest Law Enforcement Governance and Trade Action Plan, which led to two key instruments (EC, 2011):
• The 2005 Forest Law Enforcement, Governance and Trade regulation giving control over the entry of timber into the European Union from countries engaging in bilateral forest law enforcement, governance and trade voluntary partnership agreements to the European Union; and
• The 2010 European Union timber regulation, which is an overarching measure to prohibit placing illegal timber and timber products in internal markets.

a) Background and rationale of Forest Law Enforcement, Governance and Trade Action Plan
The Forest Law Enforcement, Governance and Trade Action Plan sets out a process and package of measures through which the European Commission proposes to address illegal logging and related trade (EC 2003). The European Commission viewed the plan as one of the priorities in the follow up to the 2002 World Summit on Sustainable Development. The Action Plan emphasises governance reform and capacity building, and includes demand-side measures to reduce the consumption of illegally harvested timber in the European Union and around the world. It was adopted to deal only with the question of legality, although the European Union’s wider objective is to encourage sustainable forest management. The assumption is that better law enforcement should generally lead to more sustainable forest management, in line with the recommendations of the 1992 Rio Earth Summit.

The Action Plan includes support to timber-producing countries, combatting trade in illegal timber, model public procurement policies for European Union member states, support for private-sector initiatives based on principles of corporate social responsibility, and provisions for financing and investment. The Plan links to existing European Union legislative instruments and prohibitions on conflict timber.

A key component for the implementation of the Forest Law Enforcement, Governance and Trade Action Plan is a voluntary licensing scheme as part of a bilateral voluntary partnership agreement with the European Union. Exports of timber from each forest law enforcement, governance and trade partner country would be accompanied by an export permit specifying that the timber has been
harvested in conformity with relevant national legislation, allowing it to be released for free circulation in the European Union. A 2005 European Commission regulation established a forest law enforcement, governance and trade licensing scheme for European Union imports of timber (EC, 2005). The regulation defines the products covered, the permit or license required to verify that timber has been legally harvested, and specifies the nature and mandate of any advisory or management body set up to assist the European Commission.

b) VPA FLEGT implementation

The voluntary partnership agreement forest law enforcement, governance and trade implementation process consists of four principal phases: pre-negotiation, negotiation, implementation of the voluntary partnership agreement forest law enforcement, governance and trade plan and the steering, monitoring and evaluation of the issuance of forest law enforcement, governance and trade permits (COMIFAC, 2016).

Pre-negotiation includes all the informal consultations necessary to launch the negotiations. This phase often includes a number of studies and diagnoses to ascertain the status of forest governance and forest-law enforcement in the potential forest law enforcement, governance and trade partner country. It identifies relevant stakeholder groups and informs all interested parties of the forest law enforcement, governance and trade action plan to build national consensus. The main result of pre-negotiation is often a letter of intent sent by the potential forest law enforcement, governance and trade partner country to the European Commission and the signing of a common declaration for launching formal negotiations.

Negotiation phase. Negotiations are held at both the political and technical levels. At the political level, the items discussed concern the basic principles of the agreement, the establishment of negotiation institutions within which all stakeholder groups would be represented, internal operating mechanisms and the setting of roadmaps and agendas for negotiations. At the technical level, the main points include the definition of legality through a legality grid and Timber Legality Assurance System. The second phase should result in the signing and ratification of the agreement.

The implementation phase begins by establishing the voluntary partnership agreement implementation organs and developing the timber legality assurance system. Enabling measures are taken for the issuance of forest law enforcement, governance and trade licenses in a credible environment that encompasses technical, as well as administrative, legal and ethical aspects. The third phase should result in the issuance of forest law enforcement, governance and trade licenses and related procedures to access European timber markets.

Monitoring and evaluation includes an independent audit of the system, monitoring of the joint implementation institutions, evaluation of the impacts, lessons and recommendations for improving the system.

c) A global evaluation of the Forest Law Enforcement, Governance and Trade Action Plan

The forest law enforcement, governance and trade process has been subject to
multiple internal and external evaluations. One of the most recent and comprehensive reports was published by TERREA in April 2016. Since its 2003 launch, six countries have concluded voluntary partner agreements on forest law enforcement, governance and trade with the European Union. Five of these are in Africa, notably Ghana (2009), Cameroon (2010), Republic of Congo (2010), Liberia (2012), and Central African Republic (2012) and one Asian country, Indonesia (2013). Despite the fact that African countries were first to conclude voluntary partnership agreements with the European Union, Indonesia is on track to become the first to issue forest law enforcement, governance and trade licenses (Box 1). In addition to those that have already signed voluntary partnership agreements, nine other countries are currently in negotiations with the European Union. They are: Malaysia (since 2006); Gabon, Democratic Republic of Congo and Vietnam (since 2010); Guyana and Honduras (since 2012); Côte d’Ivoire, Laos and Thailand (since 2013).

BOX 1

Indonesia case summary

The Indonesia-EU voluntary partnership agreement on forest law enforcement, governance and trade builds on Indonesia’s existing efforts, including its timber legality assurance system, to address illegal logging. The parties negotiated the voluntary partnership agreement between 2007 and 2011. In September 2013, Brussels and Jakarta signed a voluntary partnership agreement known as the Timber Act, which was ratified in 2014 and entered into force on 1 May 2014 as a legally binding trade agreement. The goal of the Indonesia-EU voluntary partnership agreement process is to provide a legal framework to ensure that all timber products (as covered by the agreement) imported into the European Union from Indonesia have been legally produced. In addition to promoting legal trade, the voluntary partnership agreement addresses the causes of illegality by improving forestry governance and law enforcement. A major strength of the agreement is that it looks beyond trade to consider development and environmental issues, as well as to examine how policies affect local populations.

The Indonesia-EU voluntary partnership agreement describes a timber legality assurance system capable of verifying that timber and timber products produced and processed in Indonesia come from legal sources and are in full compliance with relevant Indonesian legislations, as verified by independent auditing and monitored by civil society. The timber legality assurance system described in the voluntary partnership agreement is based on Indonesia’s timber legality assurance system.

Indonesia’s authorities have taken a number of important steps to tackle illegal logging and its associated trade, notably by ratifying the voluntary partnership agreement. The process of negotiation of the agreement resulted in the introduction of the timber legality assurance system, clarification of the relevant legal framework, and significantly improved engagement with stakeholders in the forestry sector. There have also been important developments in recognising indigenous peoples’ tenure rights to forest land and related resources. However, implementation and enforcement challenges remain. In particular, progress is hampered by a poorly functioning, decentralised governance system, persistent corruption and insufficient transparency of information.

Before forest law enforcement, governance and trade licensing can begin, a joint assessment must confirm that Indonesia’s timber legality assurance system functions as described in the voluntary partnership agreement, since the joint assessment of the system identified issues that still needed to be resolved. On 21 April 2016, the Indonesian President and the European Commission President agreed to move swiftly towards reducing illegal logging and promoting trade in legally produced timber through the first-ever forest law enforcement, governance and trade licensing scheme. The announcement was based on the joint assessment that Indonesia is fully ready to implement their voluntary partnership agreement, based on the inclusion of all relevant products groups in the scope of the agreement. With this breakthrough, the two parties are ready to move swiftly towards a fully operational licensing system, making Indonesia the first country to pass this final stage. The agreement will boost legal trade, modernise and formalise Indonesia’s forest sector, and improve business practices, enabling many thousands of businesses to meet market demand for legal timber and related products.
The overall assessment by TERREA (2016) is that, in producer countries, the forest law enforcement, governance and trade action plan has effectively contributed to “improved governance”, although the high variability of countries makes it difficult to generalise. The most important achievements seem to be related to “equity” in the engagement of diverse national stakeholders in the voluntary partnership agreement process. However, Eba’a Atyi et al. (2013) noted that small forest managers could be driven out of business if voluntary partnership agreements are strictly implemented without further support to them from government or other partners.

TERREA concludes that, “Transparency has, in many countries, seen good progress, but work on the legality assurance system has been less effective. Capacity building of civil society and government has been relatively effective, but effective engagement of private sector stakeholders has remained weak, despite a number of initiatives led by international NGOs and business associations. In many countries, first steps in policy reforms have been made, but a lot still needs to be done, particularly in terms of implementation of new legislation.”

The environmental NGO FERN conducted a more systematic evaluation of forest law enforcement, governance and trade (FERN, 2016). It used the five pillars of governance of the FAO and World Bank Programme on Forests (PROFOR), which are accountability, transparency, coordination, participation and capacity (FAO, 2011) for assessing and monitoring forestry governance. That evaluation led to the following results:

- Civil society regards the voluntary partnership agreements as integral to forestry governance improvements beyond the voluntary partnership agreement process itself (especially legal reform, accountability and coordination).
- Civil society describes the role of the voluntary partnership agreement as providing the political space and structures in which civil society organisations are better able to be agents for change.
- Enhanced capacity and participation of civil society organisations lead to the most striking improvements.
- The least dramatic perceived change is in government coordination.

A more critical tone is taken by the French online newspaper Mediapart, which estimates that with forest law enforcement, governance and trade, “Europe has failed to fight against the traffic of illegal wood” (Pigeaud, 2016). The Mediapart article estimates that the European Commission and European Union member states have spent about EUR 1 billion (EUR 935 million between 2003 and 2014) within the framework of forest law enforcement, governance and trade, but the objectives were not achieved. The article is largely based on a report (European Court of Auditors, 2015), which concluded that:

- Forest law enforcement, governance and trade support to timber producing countries was not sufficiently well designed.
- European Union support to timber producing countries was not sufficiently effective.

The report went on to make the following four main recommendations about the 2016–2020 work plan:

- The Workplan t needs to be clearer in terms of objectives, deadlines and budget.
• Implementation of the European Union timber regulation needs to be more strict in all European member states.
• Private certification schemes can be better used.
• Resource allocation should favour scenarios where there is probability of great impact.

d) Lessons learned from the voluntary partnership agreement on forest law enforcement, governance and trade process in Africa

Forest law enforcement, governance and trade was launched almost simultaneously with African forest law enforcement, governance and trade. The former, however, had better financial perspectives, which may have resulted in the commitment of some African countries to enter voluntary partnership agreement negotiations with the European Union. Five have done so. Currently, however, none of the five has completed the third phase of voluntary partnership agreement negotiation. This means no forest law enforcement, governance and trade licenses have been issued from any of the forest law enforcement, governance and trade partner countries in Africa. Nevertheless, from the completion of the first two phases of the process, and efforts to complete the third phase, some lessons can be drawn.

For the pre-negotiation phase the main challenges are:
• Ensuring that all stakeholders have accurate information and a good understanding of the objectives and the expected impacts of the VPA forest law enforcement, governance and trade voluntary partnership agreement.
• Ensuring the consent of all stakeholder groups before the country commits to engagement in the forest law enforcement, governance and trade voluntary partnership agreement process.
• Securing agreement of all stakeholder-group representatives on the modalities for fair and equitable negotiations for all parties.
• Producing a clear picture of forest governance and forest law enforcement in the potential forest law enforcement, governance and trade partner country of interest.
• Setting a methodological approach and timeline for negotiations in consultation with all stakeholder groups.

Based on the experience of African forest law enforcement, governance and trade partner countries in the light of these challenges, a checklist can be establish. It would need to include the following elements:
- Mapping all stakeholder groups concerned by the forest law enforcement, governance and trade voluntary partnership agreement process.
- Capacity building of actors within each stakeholder group.
- Organising platforms for each stakeholder group to freely choose their representatives for negotiations, and encouraging communication within each group as well as between platforms.
- Technical animation of the process by resource persons who have good knowledge of the forest law enforcement, governance and trade voluntary partnership agreement action plan.
- A constructive social communication strategy that uses different channels adapted to different stakeholder groups.
- Transparency and equity among national institutional actors.
- Establishing consensus as the main decision-making approach.
- Applying the principle of good governance in decision making.
For the negotiation phase, the main challenges include:

- Maintaining the momentum, interest and participation of all stakeholders groups.
- Building on the strengths and potential of different institutional actors.
- Arriving at a final agreement that takes into account all national legal requirements applicable to the forestry sector and assigns clear responsibilities to other sector public administrations (labour, environment, trade, Industry, transport, law enforcement agencies etc.).
- Guaranteeing ownership of the agreement and its annexes by all stakeholders.
- Answering two questions: 1) What are the benefits of the voluntary partnership agreements to the country? and 2) What are the objectives of the European Union: development or trade?

To overcome these challenges, the key element has been the maintenance and strengthening of the participatory approach. After a more scientific analysis of the Cameroon case (Box 2) of voluntary partnership agreement negotiations, Wodschow et al. (2016) recommend more attention to who should identify the stakeholders, how to identify them and how they should participate. Additionally, the participation process should be adapted to the specific context. For instance, the process should build on existing networks. Leaders of the process should acknowledge that NGOs do not always legitimately represent specific social groups, such as indigenous peoples, nor do they always adopt culturally appropriate methods for engaging and supporting stakeholders. During the negotiation phase, it is important to take costs and time into account, especially as most tropical timber-producing countries have limited human and financial resources. Access to information is essential to enable stakeholders to participate and express their opinions.

Although no African country has fully completed an implementation phase by issuing forest law enforcement, governance and trade licenses, the main challenges to be overcome will be how to do the following:

- Develop, consolidate and operationalise all tools of the timber legality assurance system, including the legality grid, the traceability system, a monitoring system for forest activities based on a computerized data base, a national forest control system with inputs from independent observers, a system for the issuance of forest law enforcement, governance and trade licenses and the timber legality assurance auditing system.
- Implement enabling measures for the voluntary partnership agreement, including financing mechanisms, policy reforms, monitoring the timber legality assurance system functioning, publication of information, monitoring voluntary partnership agreement impacts and an institutional framework for the implementation of the voluntary partnership agreement.
- Allow stakeholders external to the forestry administration to have a say in the policy making processes relevant to legal framework reforms promised in the voluntary partnership agreement and the comprehensive timber traceability system that is key to the legality assurance system.

e) Constraints of the voluntary partnership agreement process in Africa

Voluntary partnership agreement implementation has proved more complex than anticipated. African forest law enforcement, governance and trade partner countries that have signed voluntary partnership agreements have faced technical, structural, institutional and financial constraints (Bigombe, 2016) that have prevented them
Voluntary partnership agreement negotiations between Cameroon and the European Union started in November 2007 and continued for more than two years. On 6 October 2010, Cameroon and the European Union signed the voluntary partnership agreement on forest law enforcement, governance and trade. The aim is to strengthen forestry governance and promote trade in verified legal timber. The agreement introduces a forest law enforcement, governance and trade licensing scheme based on a series of requirements laid out in Cameroonian legislation and applicable to the forestry sector. They provide for reinforced control and verification processes, in addition to an independent auditing mechanism aimed at guaranteeing the legality of timber and derived products exported to the European Union. The agreement came into force on the 1st of December 2011.

The agreement establishes measures to ensure the participation of key stakeholders in its implementation and involves commitments aimed at increasing transparency and ensuring better public information. The voluntary partnership agreement is a legally binding trade agreement that sets out the commitments and actions that Cameroonian authorities will take to eradicate illegal logging and associated illegal trade, to improve forest governance and to promote sustainable forest management. However, implementation of the voluntary partnership agreement in Cameroon has faced a number of challenges that should be resolved before implementing the validation system. The entry into force of the European Union Wood Regulation makes such a reflection even more urgent, given the following:

• Legality verification procedures. The guarantee of the legal conformity of timber exported within the European Union from the effective start of the forest law enforcement, governance and trade licensing scheme constitutes one of the major challenges that the stakeholders of the agreement must face. Thus, the agreement provides for the introduction of a legality assurance system, described in Appendix 2-A of the agreement. Its aim is to ensure the credibility of the forest law enforcement, governance and trade license. Furthermore, the traceability system, which is the backbone of the legality assurance system for timber and derived products, is still under development.

• Legality definition and regulatory changes. The aim of the voluntary partnership agreement is to provide a legal framework ensuring that only legally produced timber and derived products are imported into the European Union from Cameroon. The agreement stipulates that short- and medium-term legal and regulatory reforms should be carried out to ensure greater coherence of the legal framework applicable to the forest. Those reforms are still in the pipeline.

• Domestic timber market. The domestic timber market was created to improve the formalization of the local market supply chain. In 2014, the Ministry of Forest and Wildlife made a great effort to bring the domestic timber market closer to supply chain operators in the local market.

• Trade in forest law enforcement, governance and trade-licensed timber. The voluntary partnership agreement aims to establish an exclusively legal trade in timber and derived products between Cameroon and the European Union. This point is connected to forest law enforcement, governance and trade licenses, the issuing of which is still not effective in Cameroon due to the lack of development and establishment of the components of the forest law enforcement, governance and trade licensing scheme.

• Institutional strengthening. The forest law enforcement, governance and trade voluntary partnership agreement between Cameroon and the European Union introduces a legality assurance system, the effectiveness of which is dependent not only on the establishment of the appropriate structures but also on human, material and financial means for implementation.

• Stakeholder involvement and communication. The forest law enforcement, governance and trade voluntary partnership agreement is multi-stakeholder process. Therefore, implementation needed to be participatory and transparent through ongoing, easy information availability and access.

Cameroon’s voluntary partnership agreement is officially in implementation, but the country still faces many hurdles and challenges. Thus it is fair to conclude that Cameroon is still in the preparatory phase.
from completing the third phase and issuing a forest law enforcement, governance and trade license.

**Technical constraints**

There have been three technical constraints, and these are the following:

- Difficulties establishing national timber traceability systems that are reliable and adapted to the specific national context.
- Insufficient and limited testing of legality grids.
- The absence of systems for information and data compilation, centralisation and archiving.

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— **Failure to develop national timber traceability systems.** In all cases, international consultancies from Europe, such as the Société Générale de Surveillance (SGS) or Helvetas, have been contracted to develop timber traceability systems that, with the exception of Central African Republic, have proven difficult to operate.

Consultants have developed complicated systems that are neither adapted to local needs and realities nor meet all the requirements of the voluntary partnership agreements. The systems developed in the Republic of Congo and Cameroon did not make full use of existing systems, and treated legality components (e.g. management of logging titles not linked to forest taxes) in isolation from the entire system. The international consultants engaged themselves in the development of all-electronic systems without taking into account the technological and power-supply environment of the country. Local operators were frustrated because they never saw the systems for which they were trained actually working in the field.

— **Insufficient testing of legality grids.** Blank tests of the legality grids were conducted in many countries, including those of the Congo Basin. The testing allowed the adjustment of the legality grids and the identification of indicators that had no meaning in the field. The testing led to insights on the legality of logging enterprises that are active in forest law enforcement, governance and trade partner countries as well as on the capacity of the forestry administration to ensure legality verification in the field. However, in all cases, testing did not cover all logging titles concerned by the voluntary partnership agreement. In the case of Gabon, during voluntary partnership agreement negotiations, the legality grid was not field-tested due to budget constraints.

— **Absence of information and data-management systems.** Implementation of the voluntary partnership agreement will generate a large amount of data and information to be shared between many public administrations, stakeholders and interested parties. The availability of this data and access to this information are central to achieving transparency. Voluntary Partnership agreements have provisions for establishing and managing databases, but no country currently boasts a centralised database on forest activities, although all are working with international firms to build them.

**Structural constraints**

Structural constraints on voluntary partnership agreements include the functioning of the national legality verification systems and the weak organisation of the domestic timber markets.
— The functioning of the national legality verification systems. The timber legality assurance system is the main pillar of voluntary partnership agreement implementation. Its function is to identify, monitor and license legally-produced timber, and ensure that only legal timber is exported to, and imported by, the European Union. However, all voluntary partnership agreements developed to date go beyond this requirement, covering all timber destined for export (regardless of destination) and some voluntary partnership agreements cover all timber, including that for domestic use (Cooney et al., 2012). The timber legality assurance system is the tool that makes the distinction between legal and illegal timber. Its five main elements are the definition of legally produced timber, chain of custody control, a verification tool, issuance of forest law enforcement, governance and trade licenses and the independent audit of the system.

Good timber law assurance system implementation would require the participation of public authorities other than the forestry administration. However, if most of the time, the forestry administration has enough experience with the legality verification system on which the timber law assurance system requirements of the voluntary partnership agreement will be based, this is less so for other public bodies involved. In many cases, manuals on timber law voluntary assurance system implementation are developed and tested without input from other administrations. Coordination between them and the forestry administration remains limited. This is a matter of mentality changes, rather than a limitation of information or communication technologies, requiring new approaches to the functioning of public administrations.

— Weak organisation of domestic timber markets. Domestic timber markets are mostly supplied by artisanal sawmilling, but they represent an important share of the timber sector. This is not only because of the quantities of timber products concerned, but also the number of actors involved, the geographic coverage of the activity and the complexity of the value-chain structure. In some countries, there are links between the artisanal sub-sector and the formal industrial timber sub-sector. Indeed, timber products from the artisanal sub-sector are often exported overland to neighbouring countries (Eba’a Atyi et al. 2016).

Of the five African voluntary partnership agreement countries, only the Central African Republic has not included the domestic market in its voluntary partnership agreement. This is in order to simplify implementation. However, this may be a missed opportunity to address governance problems. It may not actually be simpler to make a distinction between timber products originating from the artisanal sub-sector and those from the industrial sub-sector at the entrance and exit of each timber-processing firm.

For the other four countries that chose to include the domestic market in the voluntary partnership agreement, illegal timber traffic continues. Formalising the activities of the domestic timber markets thus remains a challenge.

**Institutional constraints**

Institutional constraints are related to the political and strategic steering of the voluntary partnership agreement process and delays in forestry-sector reforms including revision of the legal framework.
— Political and strategic steering of the voluntary partnership agreement process. Voluntary partnership agreements are bilateral agreements between two parties. There is the European Union on one side and the forest law enforcement, governance and trade partner country on the other. The specific commitments included are the responsibility of signatory states and their governments, not of the forestry administration alone. All government administrations involved in harvesting, transporting, trading and processing timber products should bear some responsibility for voluntary partnership agreement implementation.

In signatory countries as well as in countries where negotiations are ongoing, higher government authorities, such as the office of the prime minister, have been leading negotiations. However, once agreement is reached, leadership on implementation is transferred to the forestry administration, which has no power over other public administrations and no say in their priority setting. Misunderstandings, power disputes and lack of coordination between government administrations make it more difficult to implement voluntary partnership agreements. The political and strategic steering of the process should be placed under a higher government authority such as the head of government. Such political and strategic positioning would facilitate decision making for voluntary partnership implementation.

— Delays in forestry sector reforms and in the revision of the forestry legal framework. Voluntary partnership agreement negotiations in forest law enforcement, governance and trade partner countries have helped identify the need for reforms in the forestry sector and to revise forestry-related laws and regulations. In fact, in most voluntary partnership agreement countries there is even a need to revise the forest policy statement, if it exists, or to write one, where it does not. In many cases, forestry sector stakeholders, led by the forestry administration, have drafted revised versions of forestry laws and regulations but found it difficult for them to be enacted by relevant government and legislative authorities. As a result, there are multiple low-level administrative decisions required to move forward.

Financial constraints
There is often insufficient funding to implement the voluntary partnership agreement process, and no sustainable mechanism for joint financing of the agreement.

— Insufficient funding to implement the voluntary partnership agreement. The agreement generally includes financing measures and mechanisms for implementation of the voluntary partnership agreement. The parties will have identified areas where technical and financial resources are most needed. The additional financial resources are subject to the classic development-aid mechanisms of the European Union on one hand, and the budget mechanisms of forest law enforcement, government and trade partner countries, on the other, although international NGOs have also contributed to fundraising in support of the voluntary partnership agreement process. However, all financial resources allocated to the voluntary partnership agreement process have proven insufficient. In Gabon, for instance, negotiations were stopped because there was insufficient funding for field tests of the legality grids.

— Absence of a sustainable mechanism for joint financing of the voluntary partnership agreement. In most cases, the question of a sustainable financing
mechanism for the voluntary partnership agreement in the short-, mid- and long-term have not been examined thoroughly, and there is no quantified estimation of future financial resources. In the field, the large number activities that needed to be financed have been discovered on a step-by-step basis. No forest law enforcement, governance and trade partner country has figures on financial needs for the subsequent five to ten years.

3.5.3 Sub-regional initiatives to promote forestry law enforcement and governance in Africa

Groups of countries or sub-regions in Africa have initiated many projects and programmes to promote forestry-law enforcement and good governance. Two sub-regions – Southern Africa, with SADC, and Central Africa, with COMIFAC – have gone furthest.

**SADC Regional Forest Law Enforcement, Governance And Trade (SADC- FLEGT) initiative**

SADC groups 15 countries in the southern cone of Africa, as well as Madagascar, Mauritius and the Seychelles. It is an international organisation whose goal is to promote sustainable and equitable economic growth and socio-economic development through efficient productive systems, deeper co-operation and integration, good governance and durable peace and security among its member states.

SADC launched its forest law enforcement, governance and trade initiative in 2013, with a view to strengthening the implementation of activities at national and regional levels. The aim was to do so by raising awareness and resources as well as by improving coordination (SADC, 2013). In addition to fighting illegal logging and the trade in illegal timber products, SADC’s forest law enforcement, governance and trade initiative is committed to addressing the “formalisation” of the informal trade in forest products.

The formal goal of the SADC forest law enforcement, governance and trade initiative is “to ensure that forest products are harvested and traded with and within the SADC region and other countries based on a jointly agreed legal framework. This framework is in line with the principles of sustainable forest management with the participation of all stakeholders, including communities and with strong independent and transparent law enforcement agencies.” More specifically, the SADC forest law enforcement, governance and trade initiative aims “to harmonise forest law enforcement, governance and trade policy and the regulatory framework within five years. This is to enhance legal harvesting and trade in forest products for the sustained benefit of SADC member states.”

Hence, compared to the European Union forest law enforcement, governance and trade initiative, SADC’s goes beyond the promotion of legality in timber harvesting and trade to embrace the wider area of sustainable forest management. SADC does not specifically privilege timber trade with the European Union, although it has received some financial support from European Union member states and the FAO ACP forest law enforcement, governance and trade programme (also financed by the EU). The SADC forest law enforcement, governance and trade initiative, instead, puts more emphasis on trade within the SADC sub-region and subsequently within Africa.
The Central Africa Forest Commission (COMIFAC)

The Central African Forest Commission (COMIFAC) was created in 2000 following the 1999 Yaoundé Summit of Central African Heads of State on the Conservation and Sustainable Management of Tropical Forests and the signing of the Yaoundé Declaration. COMIFAC was initially the Conference of Ministers of Central Africa before becoming a sub-regional intergovernmental institution with the signing of the COMIFAC Treaty in 2005. The Commission is made up of 10 member states: Burundi, Cameroon, Central African Republic, Chad, Republic of Congo, Democratic Republic of Congo, Equatorial Guinea, Gabon, Rwanda and Sao Tome and Principe.

Headed by the Council of Ministers, COMIFAC is the political and technical body for orientation, coordination and decision making with respect to conservation and sustainable management of forest ecosystems in Central Africa. The Commission harmonises and coordinates the forestry and environmental policies of its member states. The COMIFAC Convergence Plan defines common intervention strategies for the conservation and sustainable management of forest ecosystems and savannas for the development of Central Africa.

The first Convergence Plan was adopted in 2005 and a revised version was published in 2015. It includes the harmonisation of forest and environment policies, the sustainable management and valorisation of forest resources, the conservation and sustainable use of biological diversity, the fight against climate change and desertification, economic development and multi-stakeholder participation and sustainable financing as its six priority areas. In addition, three cross-cutting priorities are training and capacity building, research for development and communication, sensitisation, information and education.

One of the Commission’s most noticeable achievements in the area of forest law enforcement is the sub-regional agreement on forest control in Central Africa,\(^2\) which eight out of ten member countries signed in 2008. These countries are Rwanda and Sao Tome. The agreement is applicable to activities related to logging, processing, monitoring and evaluation and the transport of forest products from the sub-region, both at the national and sub-regional levels. One provision of the agreement allows cooperation and joint activities between law enforcement officers of neighbouring countries.

Another initiative is the management of transboundary protected areas and landscapes such as the Dja-Odzala-Minkebe landscape between Cameroon, Gabon and the Republic of Congo. Similarly, there is a commonly managed landscape of protected areas between Cameroon, Republic of Congo and the Central African Republic called the Tri-national de la Sangha. Experts agree that COMIFAC has been integral to the facilitation, management and coordination of these transboundary landscapes (Grant \textit{et al.} 2013).

COMIFAC has been able to enhance its authority and legitimacy by developing a reputation among network partners as a reliable organisation that represents regional interests and takes its forestry governance work seriously. Its positive internal and organisational traits have resulted in informed decision-making and positive interactions with state and non-state actors in relevant forums (Grant \textit{et al.} 2013). COMIFAC member stakeholders pledged to adopt an autonomous

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2. Accord sous-régional sur le contrôle forestier en Afrique Centrale
funding mechanism to ensure sustainable operations without external funding. However, unpaid or late pledges have limited COMIFAC effectiveness.

3.5.4 Other forestry governance initiatives

Other initiatives promoting legality and sustainability in the forestry sector in Africa include forest certification (the main initiative from the private sector), independent-observer projects, membership of the Extractive Industries Transparency Initiative (EITI) and capacity-building efforts oriented towards local community and civil-society organisations. Two of these – forest certification and independent-observer schemes – are implemented in most timber-producing countries of Africa and their impact on forest governance is recognised internationally.

Forest certification

Forest certification was initially developed as a response to deforestation and the social, economic and environmental consequences of forestry (Rametsteiner and Simula, 2003). It was designed to address environmental and social externalities related to unsustainable forest management practices through private regulation enforced by the market, either through incentives provided by market premiums or the threat of boycotts by buyer groups and consumers (Cornelis van Kooten et al. 2005). Certification is used to ensure that forest management complies with socio-economic and environmental principles that are reinforced through third-party audits. The use of a label or logo provides consumers with credible guarantees that products come from environmentally responsible, socially beneficial and economically viable forest management (Araujo et al. 2009; Cashore et al. 2004). Many NGOs, most notably the World Wide Fund for Nature (WWF), have championed certification as one solution to the limited, often ineffective governance of forest and fishery resources in developing countries (Cashore et al. 2006).

Forest certification has three components: forest management standards, certification and accreditation. All forest management standards include compliance with national, sub-national and local laws, and the regulations of countries in which forest management takes place. Therefore, forest certification underpins legality and forestry-law enforcement, which are also among the core issues addressed by the forest law enforcement, governance and trade Action Plan. The three types of certification are:

- Legality, which ensures that forest management is conducted in full respect of all relevant forestry laws and regulations in force in the country of operation. In this case, the certification standards consist solely of legal requirements covering different aspects of the forest-management business.
- Forest management, which requires that forest management meets the requirements of “good forest management” in addition to legal requirements. This type of certification in some cases promotes sustainable forest management practices.
- Chain-of-custody, which ensures traceability and enables environmentally sensitive consumers to choose products from certified forests.

The main focus of governance is on the first two types of forest certification. In Africa, legality certification has mainly been implemented by two certification bodies: Société Générale de Surveillance (SGS), with its Timber Legality and Traceability programme, and Veritas, with its programme on Legal Origin of Timber.3 There are two main forest-management certification systems at the international level.
These are the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) initiatives. Although PEFC claims to be the world’s largest forest certification system (PEFC, 2016), FSC certification is the most widely implemented in Africa. In total, there are more than 7.5 million hectares of FSC certified forest in Africa, most of which are in Central Africa (Table 3).

TABLE 3: Areas of certified forest under the FSC system in Africa.

<table>
<thead>
<tr>
<th>Country</th>
<th>Area certified (ha)</th>
<th>Number of certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central Africa</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cameroon</td>
<td>940,945</td>
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<td>Gabon</td>
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</tr>
<tr>
<td><strong>Total, Central Africa</strong></td>
<td>5,559,575</td>
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</tr>
<tr>
<td><strong>West Africa</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ghana</td>
<td>3,367</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total, West Africa</strong></td>
<td>3,367</td>
<td>1</td>
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<tr>
<td><strong>Southern Africa</strong></td>
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<td></td>
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<tr>
<td></td>
<td>7,545,925</td>
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A scientific assessment of the social impacts of FSC certification in the Congo Basin (Cerutti et al. 2016a) found that certified forest management enterprises:
- Provide better working and living conditions for timber company workers and their families
- Have more inclusive and better governed structures for negotiations between local populations and logging companies.
- Have better managed and more effective conflict resolution mechanisms
- Adopt more innovative ways of dealing with the infringement of customary uses.

Forest-management companies that export a high proportion of their timber products are more likely to seek certification (van Kooten, 2004). However, their potential to improve governance in the forestry sector, as a whole, or even merely the timber sector, is rather limited. Forest certification in Africa tends to encourage the creation of small, virtuous elite groups of logging companies that export timber products to environmentally sensitive markets in Europe, North America and Japan, while the majority of companies are left to do business as usual. Moreover, as forest certification is a market instrument, private companies would be more encouraged to join if there were clear financial benefits but, on the contrary, certification can be a costly exercise whose economic benefits may
not be immediately clear. The three most important benefits claimed for forest certification are market access, improved public image and price premiums. However, price premiums have proved difficult to realise (Chen et al. 2010).

**Independent observation**

Independent-observation initiatives have been implemented in Africa since the early 2000s. The basic principle is that a non-state organisation (an independent observer) works jointly with the government services in charge of forest-operation monitoring and law enforcement. The aim is to improve the credibility of forest-law enforcement through the systematic, transparent and independent identification of failures in the governance system. One of the first countries to launch an independent observation initiative was Cameroon, learning from its success in Cambodia. The Republic of Congo, Democratic Republic of Congo, and Côte d’Ivoire subsequently launched independent observation initiatives.

In most cases in Africa, independent observers are chosen from among international environmental NGOs. Based on their analysis of the Cameroon case, Fomete and Cerutti (2008) provide the rationale for the involvement of IOs in the quest for improved forest governance and lessons to apply. The choice of international NGOs is based on claims that they, unlike the public and private sectors, would have no direct interest in the outcomes and would have good-governance ideals to defend. They also have a reputation to maintain and are usually considered by the international community to be more credible. However, the need to select from a very limited number of NGOs who can deliver this type of service is one limitation on the market.

Moreover, there have been several allegations – especially from government ministries and logging companies – that the choice of particular NGOs leads to the misuse of information and violation of contractual terms. However, it is difficult to assess such charges since there is neither a system of professional accreditation of independent observation nor an institutional mechanism in which such an assessment could take place.

A lesson from the Cameroonian experience is that control and verification systems must rely on objective procedures with clear legal prescriptions for decisions to be taken at key nodes in the system. Where objective criteria do not exist, there are recurrent causes of frustration, even for civil servants in the ministry, that may undermine the effectiveness of the whole verification system. Subjectivity on such important matters might foster inequitable treatment among logging companies and, indeed, foster corruption.

Another important lesson is that, if the ministry does not buy into the reform process or if the reforms are pushed through as conditionalities, even the application of objective criteria does not guarantee real governance improvements.

**3.6 Assessing the impact of initiatives promoting forest law enforcement and governance**

Although there are still no forest law enforcement, governance and trade licenses issued from African countries, the forest law enforcement, governance and trade process and other initiatives to promote forest law enforcement and governance
have impacted the forestry sector in Africa. The most significant are considered in
the following paragraphs.

**Increased participation of all stakeholder groups in forestry-sector decision making and dialogue between forestry actors.** The involvement of the private sector and civil society organisations in forest law enforcement, governance and trade negotiations can be seen as the start of a new approach in which stakeholders groups participate in decision and policy making around the forestry sector. In all three target countries, representatives of the private sector and civil society organisations are invited to sit alongside government officers to revise forestry laws and regulations. The dialogue has reduced conflict between stakeholder groups but it seldom includes actors formally outside the sector who can have a huge impact on forest resources and land.

**The political profile of the forestry sector has increased.** In many African countries, Liberia is an exception, the contribution of (usually industrial) forestry to GDP is under 5% and is seen as an investment-free income source, hence politically unimportant. The attention of the international community and initiatives to promote forestry governance are raising the interest of national politicians in the sector.

**Financial support to the forestry sector.** Implementation of the forest law enforcement, governance and trade action plan has helped secure financing from the European Union to support reforms in the forestry sector. Each African country that has concluded a voluntary partnership agreement with the European Union has received tens of millions of Euros to support the process. Additionally, in all cases, there has been bilateral support from countries like the United Kingdom, France and Germany (which provided more than EUR 10 million to support forest certification in Central Africa) to strengthen forestry initiatives.

**Identification of weaknesses in the technical and legal frameworks of the forestry sector.** The analyses for the voluntary partnership agreement negotiation phase have often helped African countries partners, to identify weaknesses in their technical and legal frameworks. This, in turn, has led to revisions to laws and regulations and in the design of new technical systems, for example to meet timber legality assurance system requirements.

**Better forest management practices in the field and improved social impact of logging.** Forest certification has promoted better and more sustainable field logging practices and has improved their social impact through improved benefit-sharing systems around forest concessions. The impact, however, is limited, as Forest Stewardship Council certification covers only about 10% of concessions in Central and West Africa.

**Capacity building of forestry actors.** All forestry governance initiatives have included a capacity-building component, not only for government officials, but also for local civil society organisations and communities. It has typically targeted forest operation, monitoring and legality.
The forestry sector plays an important role in African economies, especially for some countries and sub-regions. Intra-African trade in timber products, however, remains weak, compared to the value of exports of timber products to international markets and imports of timber products (mainly from Europe). If the demand-and-supply potential of timber and timber products within Africa could be realised, the forestry sector would not only increase its contribution to improving the quality of life for Africans, but it would also contribute to African political integration through intra-African trade in timber products.

The demand for timber products from African markets is increasing, while the demand for tropical timber products from the developed economies of Europe, North America and Japan is on the decline. Unfortunately, the intra-African market in timber products is largely dominated by informal value chains through insufficiently monitored overland trade. The impact of timber harvesting to supply domestic markets in African countries and regional markets is difficult to estimate, especially in terms of forest degradation and future timber-production capacity.

The concession model, mainly in the Congo Basin, characterises industrial timber production. Most concessions are granted to foreign-owned companies but the concession model, nonetheless, has the potential to secure the permanent forest estate and deliver a sustainable forest industry.

Governance challenges continue to hinder the forestry sector’s capacity to contribute significantly to the industrialisation of Africa and improved well-being of its people. Within the sector, enforcement of forestry laws and regulations tends to be poor, while the informal sector remains uncontrolled and poorly monitored. The forestry sector also has to contend with invasive political influence on forest policy and decision making, the absence of land-use planning and lack of coordination between government ministries.

There are several initiatives aim to improve forestry governance, both from within Africa and in cooperation with international partners. One of the most important of these is the European Union forest law enforcement, governance and trade initiative. It provides a framework for timber-producing countries to combat illegal logging and the trade in illegally harvested timber products in partnership with the European Union through the signing and implementation of voluntary partnership agreements. Of the six voluntary partnership agreements that have been signed, five are with African countries but none has arrived at the implementation phase due to technical, structural and institutional constraints. However, although the action plan has failed after ten years of existence to reach the licensing stage, it has mobilised about EUR 1 billion to combat illegal logging in tropical timber-producing countries through capacity building, the technical improvement of legality verification systems, improved equity among stakeholders and improved transparency in forest operations.

African countries have launched their own initiatives, such COMIFAC in Central Africa and the SADC forest law enforcement, governance and trade initiative in Southern Africa. The private sector has also been active with voluntary forest certification. There is a general sense that forestry governance in Africa is improving.
5. Recommendations: Relevance for African Development Bank intervention

Forest law enforcement, governance and trade regulation through the voluntary partnership agreement process and other forest governance initiatives, including forest certification, have allowed for improvements in establishing forestry law enforcement and governance in Africa. However, the Forest Law Enforcement, Governance and Trade Action Plan uses the demand for tropical timber products by European markets as its main leverage, and it is unclear how licensing will be implemented for national markets. All systems currently under development are oriented towards monitoring overseas timber exports, while forest certification would be a market instrument used for environmentally sensitive markets in Europe, the United States and Japan.

The link between national timber markets and intra-African supply, is poorly understood, despite the evidence that exploitation is growing sharply with more impact on forest resources and forest biodiversity as well as on the livelihoods of people living in forested areas. There is a need for research on in-country and cross-border timber flows.

To have a decisive impact on forest governance and the wellbeing of African people, there is an urgent need for a regional programme to promote legality in both national and intra-African timber markets. Such a programme would aim at improving the contribution of the forestry sector to Africa’s economies through the formalised trade of legal timber products between African sub-regional markets. Figure 4 presents the theory of change through which a programme for the promotion of legality in African timber trade would produce outcomes and impacts.

The programme’s overall objective would be to contribute to African integration. It would promote the supply of domestic timber markets in legal products, establish conditions that facilitate the trade of legal timber products between African countries and sub-regions, and facilitate high-level political dialogue on intra-African forestry trade.

The programme to promote legality in African timber trade would focus on the development of reliable monitoring systems for domestic timber markets. It would evaluate the impact on both stocks and the environment. The programme would assist in the development of public procurement policies for timber and timber products within participating countries. It would focus on strengthening regional organisations and African regional economic communities, and it would promote high-level dialogue on the forestry sector through regional ministerial conferences aiming to commit governments to harmonising timber trade policies and eliminating timber trader barriers.

A progressive approach to implementing such a programme could be adopted, starting, for example, with two sub-regions, which could be Central and West Africa. The programme would first be implemented with the two respective economic communities, notably the Economic Community for Central African States (ECCAS) and the Economic Community for West African States (ECOWAS). The programme would, however, be coordinated with the African Union framework for the sustainable management of African forests. A first step would be to review the legal frameworks in participating countries in order to achieve some level of harmonisation. The programme’s added value would come from the inclusion of small and medium timber trading enterprises in the process.
**Problem statement:** Weak governance contributes to the rise of illegal logging as a major policy issues, which has an impact on forest biodiversity, wildlife habitat, soil quality, access to water and poverty/livelihood of communities. FLEGT and other initiatives (forest certification) support was insufficiently designed and EU support was insufficiently effective.

**Goals:** initiate the process of supporting timber exporting African countries in combating illegality in timber harvesting and trade, through preparation of FLEG national strategies and implementation of EU-FLEG VPA.

**Rationales**

Good governance and law enforcement reduces illegal logging.

Clear licensing processes facilitates/strengthens intra-African timber markets, and improves the forest biodiversity and livelihood of local communities.

**Assumptions**

Poor enforcement of forest laws and regulations.

Invasive political influences on forest policy and decision making.

Lack of land use planning.

Prominent and poorly monitored informal sector.

VPA constraints:
- (a) technical: no timber traceability systems, limited testing of legality grids;
- (b) structural: verification system, weak domestic timber markets;
- (c) institutional: strategic steering of VPA, delayed reforms;
- (d) insufficient financials for VPA, no sustainable joint-venture structure.

**Activities**

Knowledge Co-production activities
- Forest management practices
- Conflict resolution mechanism
- Timber traceability system
- Monitoring systems
- Development of public timber procurement policies.

Capacity building of local NGOs, CSO and regional organizations.

Facilitation of multi-stakeholder fora
- Political platform to ensure an inclusive decision making with CSOs and governments.

Facilitation of regional economic communities meetings:
- Awareness of the role of trade of forest products/timber
- Awareness of the role of ‘regional’ trade.

Facilitation of inter-ministerial meetings, targeting governments:
- Harmonization of timber trade and trade policies and elimination of barriers.

Facilitation of stakeholder fora, targeting financial partners and the private sector:
- Improvement of fund raising and private sector initiatives.

**Stakeholder groups involved**

Governments

Civil society organization

Private sector

Community forests

Regional/international organizations

Donors
Intermediate Outcomes

Knowledge Co-production and multi-stakeholder fora

Outcomes:

Engaged actors:
1. Learn skills, methods and tools.
2. Internalise the value of timber and the role of regional timber trade.
3. Understand how evidence can support decision making.

Long-Term Outcomes

Actors use information, tools and analysis to:

1. Create enabling conditions for
2. Design and implement
3. Monitor and reinforce FLEGT, forest certification and other initiatives.

Impact Level

Program outcomes contribute to global efforts to:

- Forest biodiversity
- Wildlife habitat
- Soil and water quality
- Access to water and labor market activities
- Livelihood of forest/rural communities
- Avoid greenhouse gas emissions
- Reduce deforestation
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Annex 1:

Individual field reports for countries visited

1. Côte d’Ivoire
2. Liberia
3. Gabon
Interviews

Discussions were held with 41 key actors from government (20), national CSOs (9), the private sector (5), traditional rulers (5) and international organisations (2). Most conversations were done with groups of two to nine people.

Perception of the state of forests in Côte d’Ivoire

The unanimous view of all stakeholder groups is that forest cover in Côte d’Ivoire has drastically decreased from about 16 million hectares during the colonial era to the current estimation of less than 2 million ha. Furthermore, the remaining patches of forests are severely degraded. The situation is often described as catastrophic. In fact, in the early years after independence, the forestry sector was one of the main pillars of economic development in the country and the main engine of its industrialisation. There are about 100 operational timber processing firms, and the industry is active in many regions of the country.

The two categories of forest are the permanent forest estate and the forests of the rural domain that can be converted to other types of land use. The permanent forest estate consists of 231 classified forests (Fig. A1) under the management of SODEFOR, a parastatal created in 1966. Classified forests are supposed to be allocated solely to timber production but they are severely affected by the search for farmland. Estimates of encroachment rates vary from 50% (according to government) to 90% (according to civil society). There is general agreement that no more than 10 classified forests could be restored and saved as natural forest, even if the state allocates the necessary the resources.
The rural domain includes secondary forests away from forest galleries that have been divided into 387 woodlots that are in the hands of the Ministry of Water and Forests (MINEF) Central Administration. Woodlots are granted by the Minister of Water and Forests to private companies for logging under a quota system. For each woodlot granted, a specific harvest “quota” is allowed. The woodlot is also severely degraded, and private companies are looking to expand into other areas need the harvestable timber per unit decreasing. The degradation is so severe that some traditionally high-value timber species, such as Iroko (Milecia Excelsa), are disappearing, and logging is now done on very light-weight species such as Fromager (Bombax spp.) that grow in fallow areas.

Animal populations have decreased significantly as their forest habitats recede, especially outside the national parks. The parks are managed by a special government agency while the fauna resources outside are the responsibility of the Ministry of Water and Forests through its Wildlife Directorate. Ironically, it is estimated that poaching and wildlife abuses have increased steadily since 1974, though hunting is forbidden in Côte d’Ivoire. Since the outbreak of Ebola in 2014, poaching has decreased not only due to government efforts but also because of the awareness of the Ivorian people.

Main governance issues
Numerous forest governance issues are evoked by representatives of stakeholder groups in Côte d’Ivoire.

The legal and regulatory framework of the forest and wildlife sector is obsolete, ill-adapted and weak. In contrast with most African countries that revised their forestry codes following the 1992 Rio Earth Summit, Côte d’Ivoire maintained its 1965 forest law until 2014. The accompanying application regulations (decrees and lower level regulations) are still not signed, and the new law cannot yet be implemented, so the 1965 legislation is still in force. Given the worsening state of the national forest domain and the evolving governance reforms in the international forestry/environmental sector, there is an unofficial consensus on applying the law flexibly. The management of forest resources has long been considered a matter for arrangements between interested actors within and outside government, instead of being subject to a mandatory application of laws and regulations. A significant example is the wildlife sub-sector to which hunting was closed in 1974. To date, no regulation has been enacted for the management of fauna resources outside national parks, and there are broad personal interpretations of government’s intent.

Flexibility in applying forestry laws and regulations has led to widespread corruption in the sector. All stakeholder groups interviewed identified corruption as one of the main governance issues in Côte d’Ivoire’s forestry sector. Even the minister in charge of forests in a television interview on 16 June 2016 raised the issue of corruption within his administration.

The absence of an official national land-use or zoning plan that would limit the extension of agricultural activities and protect the intended 20% of the national territory under forest cover. Côte d’Ivoire has based its economic development on agriculture, both for cash crops (cocoa, coffee, oil palm, rubber) and food.
Agricultural activities are still extensive and the required increase in production often means an increase in the cultivated area. Hence, farmers are seeking new areas to cultivate, which can only be found in forested land, whether they be classified as forest or woodlots.

**Lack of transparency in forest-management decisions by government officials.** This is especially true at the local, decentralised level where timber harvesting takes place. It is therefore difficult to distinguish between operations that are legally authorised and ones that are not. Local representatives of the forestry administration are reluctant to divulge official information, instead referring people to the central government in Abidjan. In fact, during his farewell ceremony held in the presence of the prime minister, the former World Bank representative said the Bank was reluctant to support forestry because of the lack of transparency in the sector. He stressed the need for this to change.

**Politicians at all levels** seek to influence or prevent the application of the forestry laws and regulations to protect or favour specific actors in the business. Despite the fact that forestry is not a key sector in the national economy (its contribution to the GDP is less than 1%), it is seen as strategic because it supports growth, especially in housing, and has also been a traditional source of easy money.

**Lack of political will to reform the forestry sector and promote good governance.** There is a general sense from all forestry-sector groups that there is no genuine political will to reform the sector and promote governance, despite public declarations. For this reason, the “États Généraux” (General Forum) of the sector, held from 16-19 November 2015, called on the government to declare forestry a priority sector. The issue is sensitive, for forestry is widely perceived as competing with agriculture for land. Furthermore, reforms in the forestry sector would certainly affect the whole land-tenure system. One of the traditional rulers said: “The most important threat to peace and stability in Côte d’Ivoire is linked to the rural land-tenure system. Everybody in our country (including foreigners) fights to have a piece of land within a forest, the only place where one can still find fertile soil.”

**Weak institutional capacity of the forestry administration,** which is short of qualified human and logistics resources. The Central Directorate of Wildlife, for example, in contrast to the Directorate of Forest Exploitation and Industries, is represented in none of the country’s 31 regions.

**Political instability.** Political instability starting in 2003 lasted for more than ten years. During this difficult period, state institutions were weakened as was the capacity of the government to enforce forestry laws and regulations. Classified forests became priority targets for armed conflicting parties that established themselves in forests and used their resources to raise funds. The situation is slowly improving but the government remains somewhat reluctant to undertake military action to dislodge settlers living and abusing classified forests.

**Poor knowledge of existing forestry and wildlife resources.** There has been no forest inventory for more than 45 years. Thus, when allocating resources as woodlots to private operators, the forestry administration does not know the extent of national resources, and may unknowingly be contributing to their exhaustion.
Initiatives taken to address governance issues
To address forestry governance issues, Côte d'Ivoire has chosen to adhere to the European Union-initiated forest law enforcement, governance and trade process and the associated independent observation project, which has been promoting transparency in the sector. In the private sector, a few companies have adopted forest certification to show their willingness to implement forest laws and regulation.

1. FLEGT in Côte d'Ivoire
Forest law enforcement, governance and trade negotiations between Côte d'Ivoire and the European Union began in June 2013. An initial roadmap, agreed during the first session, was revised in Brussels a year later when the parties decided to set up three thematic groups and extended the scope from covering only European and international exports to include the domestic market. The forest law enforcement, governance and trade process has continued with the adoption of a new forestry code in 2014. However, signature of the voluntary partnership agreement, originally planned for 2017, will be delayed pending completion of the implementing legislation. The drafting of that legislation had still not been completed in mid-2017. The development of a legality grid is thus not yet possible. Additional constraints include: weak capacity of some actors involved in the process, difficulties maintaining momentum and interest in the process from all stakeholder groups and difficulties related to the circulation of information among actors.

2. The independent observer project
The IO project was financed by the FAO forest law enforcement, governance and trade facility with the aim of improving the credibility of forestry law-enforcement operations through increased transparency and an independent identification of failures in the forestry-governance system. The Wild Chimpanzee Foundation was chosen to implement the independent observation project. To date, independent observers have conducted six missions in the classified forest of Cavally, with teams of trained local community representatives in the presence of SODEFOR officers. Independent observer missions have identified a number of problems with the current implementation of legal procedures and guidelines by both SODEFOR and private operators. Some problems are important enough to threaten the sustainability of forest resources in Cavally. Subsequently, independent observation has made recommendations to improve the application of legal procedures in the field.

Impact of forestry governance initiatives
Côte d'Ivoire and the European Union have not signed a voluntary partnership agreement and, in common with the other voluntary partnership agreement countries in Africa, are far from issuing forest law enforcement, governance and trade licenses. All stakeholder groups, however, recognize that entering the voluntary partnership process has had positive impacts on governance for the forestry sector. The most frequently cited are:

- **The participation of all stakeholder groups** in voluntary partnership agreement negotiations and, potentially, in decision making around forestry-sector policies. An example is the current drafting of the texts to apply the 2014 forestry code. In past decrees, called arrêtés, ministerial decisions and official guidelines were unilaterally designed and adopted by government services. Now, although these
texts are still drafted by government, civil society organisations, private sector representatives and customary rulers are invited to comment and propose amendments. During the field visit, for example, a workshop organised by the forestry administration to examine drafts related to the application of the code was postponed because the private sector representatives asked for more time to analyse the proposals.

• The forest law enforcement, governance and trade process has made it possible to have political dialogue on the future of forests in Côte d'Ivoire. Dialogue is possible not only between government and other stakeholders, but between stakeholders, themselves, who may have conflicting interests. In addition, forestry is being reorganised to permit dialogue with other, more powerful, sectors such as agriculture, mining and infrastructure.

• The forest law enforcement, governance and trade process has revealed the weaknesses of the legal framework. The requirement to define legality and develop a legality grid has made it clear to all forestry stakeholders that the current legal framework needs to be revised.

• The forest law enforcement, governance and trade initiative has helped identify technical problems and engage the forestry administration to search for solutions to them. These include the maintaining of a statistical database and the need to develop a system for the verification of legality and a tracing system for timber products.

• The forest law enforcement, governance and trade process has helped raise funds from international donors to support the forestry sector. In addition to the main funding from the European Commission, five new projects have been financed related to capacity building, promotion of legality, domestic timber market, community involvement in forest law enforcement monitoring and forest sector statistics.

• The forest law enforcement, governance and trade process has helped raise the political profile of the forestry sector within the country, with the support of the international community.

• The forest law enforcement, governance and trade process has contributed to capacity building. This seems to be specifically true for civil society organisations and local community members who were members of the independent observation mission. They were trained on the detection of fraudulent activities by timber harvesting actors and SODEFOR, using documentary analyses and field observations.

Forest certification has already had some impact on the three certified companies. Their timber products have had easier access to European markets and all forestry stakeholders groups recognise that they have set an example to be followed. However, it seems obvious that the three companies represent only a small minority of the private sector. It would be good for private companies to develop a code of conduct to frame their operational practices.
Priority forestry value chains for interventions
The timber business in Côte d’Ivoire presents three main value chains according to destination markets: the industrial value chain for external markets, domestic markets and regional markets. Stakeholder representatives agreed on a set of priorities for potential intervention to improve forestry governance in Côte d’Ivoire. They are:

- **The domestic timber market** is supplied by low-quality products from industrial firms, industrial wood waste, reshaped by local owners of workshops and illegal sawnwood from chainsaw operators. According to Eba’a Atyi et al. (2016), domestic market consumption in Côte d’Ivoire is estimated at about 1.5 million m$^3$ annually, four times the volume of timber exports (350,000 m$^3$). Of the domestic total, 27% (515,000 m$^3$) comes from illegal artisanal millers, although most actors believe this is an underestimate. Domestic markets are to be included in the European Union voluntary partnership agreements but there is currently no monitoring system for the national market. National consumption can be roughly divided into the public-procurement sub-chain and the private-consumption sub-chain. If legality is to be promoted by the market, it is advisable that it starts by the design of an adequate public-procurement policy that allows only legal timber products to be used in public works and in the acquisition of wooden items for use in government services.

- **The regional market supplied by land export from Côte d’Ivoire to neighboring countries.** Eba’a Atyi et al. (2016) estimate the annual land timber flows from Côte d’Ivoire to neighbouring countries to be about 113,000 m$^3$, of which some 70% originate from illegal artisanal sawmilling. Timber imports from Liberia to Côte d’Ivoire are thought to be usually substantial, but cannot be evaluated because the land border between the two countries was closed in 2015 due to the outbreak of Ebola. Thus, timber flows between neighbouring countries are important and are dominated by illegality. They are also expected to increase with demographic and economic growth.

- **The value chain of overseas timber exports.** Côte d’Ivoire still exports about 350,000 m$^3$ of timber annually (DEIF, 2014), a sharp decrease from the 960,000 m$^3$ a decade earlier. Government services seem to have established a reliable system for monitoring timber exports from seaports, in contrast to the absence of such systems for domestic and regional markets. The due diligence timber regulation of the European Union ensures that timber products entering European Union markets are of legal origin. This emphasises that the whole forest law enforcement, governance and trade process is designed first and foremost for the European Union market, from the supply to the demand side.

Interim conclusions on Côte d’Ivoire
Côte d’Ivoire’s forests have been used in the past to promote industrialisation but several factors, including the development of agriculture and poor governance of the forestry sector, have led to decline through widespread deforestation and degradation.

There is now a trend towards the improvement of forest governance, most importantly through the forest law enforcement, governance and trade process, which most actors agree has already been positive, and even if the voluntary partnership agreement has not yet been signed. All stakeholders are now involved
in the decision-making process. A political-dialogue platform on the future of the forest has been established, the current obsolete legal framework is being revised, and the technical tools used in forest sector monitoring and management are being improved.

However, despite the positive impact of forest law enforcement, governance and trade, which is oriented towards timber exports overseas, there are currently no clearly identified initiatives to address governance issues related to the increasing domestic and regional demand for timber, which are the most affected by illegality. Any new forestry governance initiatives in Côte d'Ivoire should target national and regional markets.

Country report 2: Liberia

Interviews

Discussions were held for the field study with 17 key actors representing government (Forestry Development Authority) (3), donors (1), the private sector (2), community forestry representatives (5), CSOs (1), and donor projects (5). Most exchanges took place in groups of two-to-three people, but also individually in the case of two actors.

Perception of the state of forests in Liberia

Liberia still has important forest resources, compared to other countries in West Africa, and is the most forested country in the sub-region with about 40% of its dense forest. Liberia’s Forestry Development Authority estimates that about 50% of Liberian forests can still be considered “intact.” Although there has been no comprehensive forest inventory, forest cover in Liberia is estimated to be 4 million hectares, of which 1 million hectares are set aside as protected areas. In all, there are currently 10 community forest management agreements, half of which are designated for conservation and the other half for timber production. Some 125 applications have been made for the management of community forests. Of these applications, 86 have successfully passed the first two selection steps (out of nine). The financial returns obtained from the management of community forests are entirely for the benefit of the concerned communities, except for some taxes paid to government. Communities affected by industrial logging should receive part of the forest rental fee collected by the government. For example, the land rental fee for forest management contracts is USD 1.5/ha/year. Some 30% should go to communities through a trust fund. However operationalisation has taken time, and the fund is only just being set up. There is debate about whether the additional land rental fee that companies put in their bids for concessions should also be split, with 30% going back to the communities.

Liberia’s forests produce 200,000m³ to 250,000m³ of timber annually. Most of this is exported to China and Europe (mainly France) as raw logs in the absence of a developed timber-processing industry. Log exports represent about 95% of total round wood production from the formal industrial sector, without any added value from transformation. There are no plywood factories. About one million hectares of forests are currently allocated for 25 years (starting from 2007-2008) to private companies as forest concessions divided into seven contracts (there are 13 registered companies but only four of them are active). There are four types of logging that can be granted to companies or individuals:
• Community forest management agreements
• Forest management contracts subject to a forest management plan with a cutting cycle of 25 years minimum.
• Timber sale contracts granted for three years for a maximum land area of 5,000ha after logging. These timber sale contract areas may be converted to other types of land use.
• Private-use permits for which there are currently no regulations.

There is no forest-management plan in force.

The domestic market is almost entirely supplied by informal operators who the Forestry Development Authority controls through a network of tax-collecting checkpoints that cover almost the entire forested zone. The official tax is USD 0.60/piece without distinction on the size or the nature of the piece. However, there has been no attempt systematically to quantify the volume involved, although all forestry actors interviewed believe that the informal sector harvests about double of what is produced by the formal logging industry.

Main governance issues
Liberia faces a number of issues related to the governance of its forestry sector. The most often identified include:

a) Weak capacity of forestry actors
The human and logistical capacity of the Forestry Development Authority remains weak. Protected areas are invaded by mining operators and communities, who have a great deal of current and potential responsibility in the management and protection of Liberian forests. The local authorities do not have the ability to monitor the forest sufficiently. For example, a community can subcontract timber-harvesting but a logging company may encourage communities to group artificially, thus obtaining rights to a vast area of forests beyond the capacity of most communities to monitor the company’s activities.

b) Poor law enforcement in the field
With the support of the donor community, Liberia has been able to assemble a good legal and regulatory framework that now needs to be implemented. Some private-sector actors even think the sector is being “overregulated”. However, practice still contradicts existing laws and regulations. One of the interviewees remarked that “people do not realise that laws that are adopted have to be implemented… laws are rather seen as a set of cosmetics, but this is not specific to the forestry sector.” For example, by law, affected communities should receive benefits from logging activities but these benefits are not forthcoming, and communities around forest concessions sometimes resort to violence because social-responsibility agreements are not enforced.

c) Lack of coordination between forestry and agricultural policies
An important issue is the development of agricultural concessions granted in forested areas. While slash and burn remains the main agricultural practice and the most important driver of deforestation, palm-oil companies are also granted concessions in the forest, although they are only supposed to develop a fraction of each area granted. They are also obligated to identify high conservation value forests that will
escape conversion to plantations. Agro-industry developers are supposed to leave community areas untouched, though they might be authorised to use wood from degraded forests. However, coordination between the Forestry Development Authority and the Ministry of Agriculture needed to implement these policies is lacking.

d) Land-use rights
There is no proper system of land titling in Liberia. Most land is exploited by communities who would like to become owners of the forests empowered to grant logging permits but the few existing titles belong to people outside the communities. The proposed land-reform act would give communities (tribes) land right but might result in the withdrawal of concessions, which makes it a highly politically sensitive issue.

e) A prominent and poorly controlled informal sector
The formal timber sector produces about 200,000 m³ - 250,000 m³ of logs annually but the informal sector harvests at least double that. The unregulated artisanal sawmilling sub-sector may be the biggest cause of forest degradation, but it is also the unique supplier of timber products to the domestic market. Chainsaw milling is not forbidden and the Forestry Development Authority efficiently collects taxes on timber products from the artisanal sector through checkpoints scattered throughout the country. It does not, however, gather information on the quantities involved.

f) Political pressure on decision making in the sector
Forestry is a politically sensitive sector. Maintaining forests does not seem to be a priority for politicians and the Forestry Development Authority is always under pressure from political elites to grant more forest for logging in the absence of a national forestry-management plan. Similarly, there is huge political pressure around community forests.

g) Lack of a public-procurement policy for timber products
The entire national timber-product market is supplied from known informal sources but there is no policy to promote legality in the public procurement of timber products. Public buildings, infrastructure and government furniture largely use illegal timber products.

Initiatives taken to address forest governance issues
The forestry sector in Liberia has been the subject of a number of important governance improvement initiatives, the most noticeable of which are:

1. Liberian Extractive Industries Transparency Initiative (LEITI). The Extractive Industries Transparency Initiative (EITI) is a global initiative whose objective is to bring transparency in extractive-industries management. It is a voluntary membership association based in Oslo, Norway. EITI usually focuses on the mining and oils sectors. Liberia entered EITI in 2007 and created LEITI as an autonomous government agency in 2009. LEITI groups representatives from government, civil society organisations and the private sector, while international organizations and representations of communities serve as observers and advisors. The specificity of LEITI is that it includes forestry and agriculture (especially agricultural concessions) in addition to oil and minerals. Liberia added forestry because of allegations of illicit activities in the sector and leakages in revenue generation.
In the forestry sector, LEITI reports on the process of granting contracts and all access rights to forest resources, revenue information by publishing reconciliation reports using government data services against those of private companies, allocation of revenues collected and the management of resources and public awareness on contracts.

2. The voluntary partnership agreement forest law enforcement, governance and trade process. Forest law enforcement, governance and trade negotiations began in 2009 and the voluntary partnership agreement was signed with the European Union in 2011, with plans to issue the first licenses in 2014. Liberia has received substantial funding to support governance improvements leading to the issuing of forest law enforcement, governance and trade licenses. An example of initiatives in relation with the forest law enforcement, governance and trade voluntary partnership agreements is the development of a Chain of Custody Traceability System. It was implemented by the Société Générale de Surveillance (SGS). SGS has established a timber-exploitation monitoring system that goes from the forest inventory, where standing trees are tagged, to the export of logs. This helps revenue collection, as SGS issues invoices to logging companies on the government’s behalf based on data collected through the Chain of Custody Traceability System. The arrangement with SGS is due to end in 2018, but there is a capacity-building component within it that should allow the Forestry Development Authority to take over the system.

3. The Forest-Sector Programme has recently been signed with Norway for more than USD 120 million, with the aim of eradicating deforestation in Liberia. The World Bank will manage the Norwegian funds. They will be used for budget support to the government, institution building (the main governance component) and support to compensation benefits following a scheme similar to REDD+. The two triggers attached to the package are a moratorium on the allocation of new oil-palm concessions and the implementation of a forest-management plan.

4. Additional initiatives to support the forestry sector. There are many other donor supported initiatives aiming at improving the governance of the forestry sector, including the Geographical Information Systems project on trans border conservation, USAID’s Governance and Economic Management Support (GEMS) project providing institutional support, and the Forest Incomes For Environmental Sustainability project to support conservation in community forests.

Impact of forest governance initiatives
The numerous initiatives taken in Liberia to improve the governance of the forestry sector seem to have had a noticeable impact, going beyond the sector itself and contributing to the improvement of the country’s governance, as a whole. The main benefits identified by most stakeholders are:

- **Stakeholder participation/consultation.** Through the voluntary partnership agreement forest law enforcement, governance and trade process, a forestry governance dialogue has been launched. Sector actors interact more frequently and conflicts have been reduced.
• **Capacity building.** Several forestry-governance initiatives by NGOs (Client Earth, Fern, Global Witness …) have contributed to community capacity building in legal matters. Similarly, the technical capacity of the Forestry Development Authority is being improved through the establishment of the Liberia Timber Legality Assurance System.

• **Revenue collection by government.** Due to both the Liberia Extractive Industries Transparency Initiative and the forest law enforcement, governance and trade revenues collected by the government from forestry have increased substantially.

• **Transparency.** Some actors think that the forestry sector has become the most transparent sector in Liberia. An example often cited is the suspension of some timber-harvesting contracts (especially private-use permits) issued improperly.

• **Increased attractiveness for Liberia.** More investors have become confident about Liberia, and this is improving the economic growth of the country. More donors are also ready to support the forestry sector and economic development of the country as a whole.

**Priority forestry value chains for interventions**

Of the three timber value chains (export markets, regional markets, domestic markets), exports to Asia and Europe by the formal industrial timber sector have provided the major impetus for Liberian forestry-governance initiatives over the last 10 years. Further development in the industrial sector would be in line with the need to develop the economic and industrial infrastructure, in general.

The informal sector that supplies timber products to national markets has more impact on forest resources but it remains unstructured and unmonitored. The sustainability of the forest sector may be at risk because of the informal/artisanal sub-sector, hence more attention needs to be focused on the informal sub-sector.

Regional overland timber exports by land are unquantified but may provide an opportunity. Their development, however, depends on regional dialogue and improved governance issues in West African countries, generally.

**Interim conclusion on Liberia**

Liberia is said to be the most forested country in West Africa and the sector contributes more than 10% of GDP. It was historically renowned for illicit activities and an important source of revenue leakage for the government. From 2007, efforts have been made to improve the forestry sector and some encouraging results have been obtained, mainly related to capacity building, transparency and sector dialogue.

Nevertheless, obstacles remain. The most important are related to the informal sector that supplies national markets, the forest/agriculture interface, overall land use and the land-tenure system and political interests that put increased pressure on the sector. These obstacles need to be addressed for forestry to contribute more effectively to the national economy and to the sustainable use of Liberia’s forests.

4. View from LEITI.
Country report 3: Gabon

Interviews
Discussions were held with 19 key actors representing government (ministries in charge of forests and economic planning) (7), donors (1), the private sector (3), community forestry representatives (1), CSOs (2), and regional/international organisations (5). Most exchanges were with groups of two to three people, though there were individual discussions with two actors.

Perception of the state of forestry in Gabon
Gabon has dense forest covering more than 80% of the national territory. Due to a very low population density, it has the highest forest cover per capita in Central Africa, and the rate of deforestation is nearly the lowest in Africa. About 13% of the national territory is allocated to protected areas outside the 11% allocated to national parks. Although the national economy is heavily based on the exploitation and export of crude oil, the timber sector also plays an important role. Currently, the forest sector ranks second in export earnings and remains the primary employer in the private sector. The industrialisation policy of the government of Gabon is 90% based on timber processing.

In 2001, with the adoption of a new forestry law, Gabon adopted the principle of sustainable forest management through forest concession. The four different logging permits defined in the forestry law are:
1. Permis Forestier Associé (PFA) (up to 15,000 ha)
2. Sustainable Forest Management Concession (CFAD) (up to 200,000 ha)
3. Community forests for a maximum of 5,000 ha
4. Permis gré à gré (PGG) granted in terms of the number of trees to be cut.

CFAD permits are generally granted to big companies with foreign capital from Asia or Europe, while PFA ones go to smaller local businesses (possibly managed jointly with sustainable forest management concessions). PGG permits are usually allocated to local elites selling standing trees to logging companies or to chainsaw millers. Community forestry is slow in development and remains rather embryonic.

The 2001 forestry code emphasised the allocation of logging permits but it has been difficult to implement. New forestry legislation is under preparation that is expected to prioritize concession management and timber processing. The new code should also better integrate international conventions with existing Gabonese laws.

In 2009, the government decided to ban raw log exports beginning the next year. The ban has had major impacts both within and outside the forestry sector. Timber processing capacity has increased, but the contribution of the sector to GDP has decreased from 1.4% in 2009 to an estimated 1% in 2015. The time interval needed for the industry to adjust has proved longer than expected. Coincidently, the enforcement of the log export ban has been accompanied by increased interest from Chinese investors in the timber industry. They now manage about 50% of forests allocated to timber production. New investors from China are believed to have more difficulties implementing sustainable forest management regulations. The World Bank has studied the weaknesses and strengths of the log export ban in Gabon. It suggests implementing a six-part support programme to boost the contribution of the forestry sector to the national economy.
Main governance issues

The absence of a forest policy declaration A forest policy declaration developed in a participatory fashion with a national vision for the management of forest resources to guide consideration of the sector should ease acceptance and enforcement of laws that result from the policy. Currently, laws and regulations are often developed to satisfy and ease pressure from the international community to meet short-term objectives.

Allocation of logging titles. Gabon officially allocates 11 million hectares to sustainable timber production. However, current estimates are that 15 million hectares are under timber concessions. This raises concerns about the overexploitation of forest resources. The excess is due to lack of coordination between the forestry and tax administrations. The forestry administration is supposed to grant and regulate logging concessions but the fiscal authorities have been de facto allocating logging rights by offering a tax moratorium to companies that declare a logging interest and can identify a parcel on which they are operating, whether logging is their principal activity or not.

The forest agriculture interface. To spur economic development, Gabon has promoted large-scale industrial agricultural plantations (agro-industries) of oil palm and rubber. The current government is committed to convert 4 million hectares of forest into industrial agriculture. The Singapore-based multinational group OLAM, for example, has been granted 100,000 ha for oil palm and rubber plantations, while 200,000 hectares have been set aside for small-scale oil palm plantations in the form of joint ventures with OLAM or other foreign investors. The granting of agricultural concession is under the Ministry of Agriculture, which does not coordinate with the ministry in charge of forests. This has resulted in millions of hectares’ being granted to multinationals at the expense of the forest cover and without sound land-use planning. There are neither technical nor legal norms to guide the operations of agro-industries.

The enforcement of laws and regulations within and outside the forestry sector is very flexible and heavily influenced by interests from political and economic elites. An anecdotal case concerns the Kevazengo (Guibourtia spp.) scandal that occurred in 2016. Kevazengo (also called Bubinga) is a tree species with a very high timber value. It is much appreciated by Chinese markets, but its regeneration is problematic. Its harvesting is, therefore, very restricted in most countries of Central Africa. In Gabon, the exploitation of Kevazengo has been prohibited, but the export of Kevazengo timber products continued nonetheless. The network of people involved was discovered, and a few executive officers in the ministry in charge of forests were jailed for a few weeks. Eventually, however, they came back to their offices and some were even promoted.

The supply of the domestic timber market. The domestic market in Gabon is small. However, most of the market (including government procurement) is supplied by chainsaw millers whose operations are not controlled.

Insufficient legal and technical framework for the management of wildlife resources. Gabon has 13 national parks that are well protected against poaching and wildlife exploitation. Nevertheless, in all other land areas hunting for bush
meat uncontrolled. Officials from the Gabonese forestry administration believe that wildlife management cannot be reduced to protected areas and anti-poaching measures. They argue that traditionally animal husbandry is weak and the population has had to rely on game meat as a source of animal protein.

**The imbalance between the mission assigned to public services and the means allocated to them.** This includes human resources, logistics equipment and financial means.

**Initiatives taken to address forestry governance issues**

**Voluntary Partnership Agreement—Forest Law Enforcement, Governance and Trade.** Gabon entered into voluntary partnership agreement—forest law enforcement, governance and trade negotiations with the European Union in 2010, which led to the creation of a committee for technical coordination. The initial target was to sign the voluntary partnership agreement by December 2012, but negotiations were suspended in 2012 without their having been much progress. The official reason for this was that the government failed to allocate enough financial resources. For example, the Committee for Technical Cooperation had developed a legality grid, which was to be tested in the field, but there were no funds for field tests. The negotiations were re-launched in 2015 when Gabon received financial support from the European Union to implement the Programme d’Appui à la Gouvernance Sectorielle (PAGOS), which makes it possible to work on a legality verification system. Currently, there is no predetermined time frame for voluntary partnership agreement signature, though the process functions on the basis of six-month roadmaps.

**Forest certification.** Forest certification is a private-sector initiative to improve forest governance and contribute to sustainable management in forest concessions. In 1996, Gabon was the first country to host a certified logging company but the certificate was withdrawn weeks later. Currently, Gabon has about 1.9 million hectares of Forest Stewardship Council certified forests for sustainable management (Cerutti et al., 2014), managed by three logging companies. Additionally, there are about 600,000 ha certified under legality certification schemes such as Origin and Legality of Timber (OLB) or TLTV. Forest Stewardship Council certification has been largely promoted in Gabon by international NGOs, particularly the World Wide Fund for Nature (WWF).

**The African Timber Organization (ATO)/International Tropical Timber Organization (ITTO) project** on principles, criteria and indicators (PCI) of sustainable forest management. Since 2003, ATO and ITTO have been implementing a project to promote sustainable forest management in their joint member countries in Africa through the use of PCI. PCIs provide a framework for assessing management practices in forest concessions (also at national level) against sustainable management standards. The ATO/ITTO project has developed an auditing manual. In Gabon, 16 forest concessions have been audited voluntarily against ATO/ITTO standards to obtain insight into the gaps between their management practices and sustainable forest management standards.

**Capacity building within civil society and local communities.** At the initiative of international NGOs such as the World Wide Fund for Nature, there have been a number of projects and activities to strengthen the capacity of local organisations
to deal with legal issues and monitoring of forest operations.

**Impact of forestry governance initiatives**

*Improvement in sustainable management practices.* Perhaps the most significant impact on the forestry sector in Gabon during the last 15 years has been the shift in timber concession management towards more sustainable practices (as an impact of forest certification and other forestry-governance initiatives). The improvements specifically concern the CFAD and a number of PFAs. All stakeholders agree that certified forest concessions are more inclined to apply laws and regulations in Gabon and have fewer disputes with local communities. Improvements in forest-management practices and in the governance of forest concessions are not linked to the forest law enforcement, governance and trade process but rather to forest certification, which was promoted by the International Timber Trade Organization and international NGOs. Nevertheless, forest certification seems to have lost momentum as new companies are not eager to enter the process. These companies supply emerging markets in Asia that are less sensitive to environmental concerns. WWF China and WWF Gabon have begun to work with key importers of tropical timber in China to promote the demand for certified products from Central Africa. An important limitation of forest certification is that it seems to promote a group of virtuous companies while the bulk of the private sector remains below the required level of governance. In contrast, the voluntary partnership agreement—forest law enforcement, governance and trade process is designed to change the way of doing business with the timber-exporting companies of Gabon.

*Dialogue between forestry actors.* During the last five years, decision making in forestry has changed significantly. The government now calls on representatives of the private sector and civil society to contribute to the preparation of public policies designed to shape the sector. Dialogue between forest-sector actors has been particularly strengthened since Gabon started its voluntary partnership agreement negotiations. The clearest example of this is that representatives of private companies and civil society organisations now work alongside government officials to prepare revisions to standing forestry law. Unfortunately dialogue between forestry sector actors is not sufficient to tackle extra-sector factors (pressure for mining or agro-industries) that could negatively impact forestry activities and resources. Dialogue should also be established between other rural development sectors to obtain a common understanding of and agreement on the main land-use issues.

*Improved capacity of local civil society organisations and communities.* A number of new local organisations have emerged in the last two decades, establishing partnerships with international organisations to build capacity in defense of the environment, conservation activities and support for rural people, whose livelihoods depend on forests. As a result, problems related to benefit sharing from the management of forest concessions have been revealed. Agreements have been reached with government to consider the needs of local communities better when revenues from the timber sector are shared.

**Priority forestry value chains for intervention**

Exports of timber products have always been more important than the national market because of the country’s low population and this is unlikely to change in
the near future. Prior to 1992, Gabon was the only country in Central Africa to have a full government ministry in charge of forest economy and improvements to the governance of the sector were aimed at improving government revenues. However, the national demand for timber products, at least for main towns, needs to be addressed because of the prevalence of illegality and the unknown impact of illegal timber harvesting on the resource.

Gabon has the potential to play an important role in intra-African timber trade because of its abundant forest resources but the extent of that role will remain unclear as long as all evidence of timber exports from Gabon to other African countries remains anecdotal.

**Interim conclusion on Gabon**

The combination of considerable natural resources (including timber) and low population (1.6 million endow Gabon with one of the highest per capita incomes in Africa. The economy is largely based on its oil resources, although production has been declining in recent years. In recent years, there has been an effort to diversify economy, in part because its income makes Gabon ineligible for official development assistance. The timber sector plays an important role in the national economy as one of the largest providers of employment and as an important pillar of industrialisation policy.

The sector is sensitive to the requirements of international markets, such as the European Union, because of the dominance of industrial timber concessions designed to supply international markets. To meet these requirements, a number of logging companies have adopted forest certification, which has had a positive effect on governance. The 2010 log-export ban has had a mixed impact and the voluntary partnership agreement-forest law enforcement, governance and trade process launched in the same year was suspended two years later because of financial constraints. Meanwhile, the forestry sector continues to suffer from the poor enforcement of laws and regulations, the poor capacity of the forestry administration to monitor and carry out their functions, lack of coordination between the forestry sector and other rural development sectors and the omnipresence of political elite.

Gabon needs reforms in the forestry sector to enable it to contribute fully to the national economy. One such reform is completion of the voluntary partnership agreement-forest law enforcement, governance and trade process in order for all companies in the timber sector to continue to supply international markets. The reform should also embrace national markets, which are characterised by illegality and lack of regulation. Gabon's potential to be a key player in intra-African timber trade needs to be properly evaluated.