

Forest reform in the DRC: how the World Bank is failing to learn the lessons from Cameroon



The Congo forests of Central Africa are the second largest rainforest block on earth after the Amazon. Stretching across Central Africa, they cover parts of Cameroon, the Central African Republic, The Republic of Congo, the Democratic Republic of Congo (DRC), Equatorial Guinea and Gabon. These rainforests are of global significance for biodiversity conservation and of critical importance in climate regulation. Millions of people depend on them for their basic needs of shelter, food and medicine.

The biggest areas of yet largely intact rainforest are found within the DRC. DRC's wealth of natural resources was the driving factor behind many years of armed conflicts and the country's forests have suffered from several decades of mismanagement of natural resources as well as a decade of war. Now that the conflicts are formally over and a newly elected government is being established, DRC's forests are at a crossroads. Industrial logging could become a dominant activity in much of the rainforest, leaving a trail of environmental and social problems, or the DRC government and international donors could finally recognise that the industrial logging model has failed and that they urgently need to act to implement alternative development models. Unfortunately, the evidence so far suggests that once again the World Bank and other donors are keen to promote industrial logging as a key tool for poverty alleviation and development of the country.

Dashed hopes in Cameroon, wishful thinking in the DRC

The World Bank is presenting its DRC forest sector reform as a means of promoting sustainable forest management, increasing state revenue and - above all - helping to alleviate poverty. A new forest code was adopted in 2002 and related implementation decrees are now also gradually being adopted. Greenpeace is warning that the international community and the DRC government are far too optimistic about the expected results of this reform. A World Bank-led forest sector reform very similar to the one now being pushed through in the DRC was introduced in Cameroon more than 10 years ago and from an environmental

“To be credible, we must learn from our past mistakes. We must demonstrate that we wish to do things differently. [And we must commit to improving forest law conservation as a basis for sustainable natural resources management]”

Giuseppe Topa, (Africa forest specialist, the World Bank); June 18th 2002. Speech in Brazzaville. Preparatory conference for AFLEG (African Forest Law Enforcement and governance).

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A Twa (« pygmee ») community stares at a logging truck passing by in the Lac Tumba region, DRC. Local communities are rarely consulted before logging companies start their operations.

and development perspective it has been a major disappointment. Now is the time to learn from the Cameroon experience, rather than to repeat the same mistakes in the DRC.

In 1994, the Cameroon government passed a new forestry law. A new legal framework for the forestry sector was a condition of the structural adjustment agreement the government had signed with the World Bank and the International Monetary Fund. Now, in 2007, most of the productive forest land has been allocated to industrial logging and yet the contribution of the forestry sector to poverty alleviation remains negligible. Cameroonian “forest management” provides no guarantees for sustainable forest management and in reality can be considered nothing more than a legalised form of forest destruction.

Despite the many established safeguards, opacity, corruption and impunity continue to be defining features of Cameroon’s logging sector. The situation is even more problematic in the DRC, a much larger country emerging from a long and complex conflict situation. DRC now has an elected government but the dynamics of an “economy of plunder” will not disappear overnight. Institutional capacity to manage the DRC forestry sector is completely lacking. It will take years before the forestry departments will be adequately trained and equipped, before they can even start with law enforcement.

This paper explains some of the key components of Cameroon’s forest sector reform and compares them with recent developments in the DRC. The conclusion is all too clear: a further expansion of DRC’s logging industry will bring environmental destruction, social conflict and will fail to alleviate poverty.

Land use planning in Cameroon: rolling out the red carpet for industrial loggers, ignoring the rights of forest communities.

One of the root causes of forestry reform failure in Cameroon is the fact that people do not have land rights. The country’s land use plan was designed without their participation. The provisional zoning plan, drawn up in 1993, clearly reflected the key priority of government and donors: maximized revenue from timber production and forest protection to some extent¹. Local people have effectively been expropriated by the State. The 1993 plan was to be followed up by official gazetting of the permanent forest. In its absence, the progressive allocation of logging concessions has resulted in de facto and irreversible pro-business zoning. Conversely, only an insignificant area of relatively unproductive forest has been allocated to community forests.



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Forest dependent communities
Kids enjoying their 'grandeur nature'
swimming pool, DRC

Land use planning in DRC

As in Cameroon, the forest belongs to the State. No land use planning is in place beyond a few pilot projects. Congolese NGO representatives fear that the rights of local people will be ignored and priority inevitably given to industrial loggers. In 2005, a number of Congolese NGOs filed a complaint with the World Bank’s inspection panel, requesting an investigation into the Bank’s compliance with its safeguard policies on Indigenous Peoples in the development of a proposed DRC land-use planning project. The complaint has been accepted as eligible by the inspection panel and is currently under further investigation.

All signals indicate that industrial logging is likely to be the big winner of the “legality review” the DRC government is currently conducting of the 21 million plus hectares of existing titles. Legalising these logging concessions will result, just like in Cameroon, in large scale “de-facto” zoning, before proper community consultation has taken place.

¹ Hoare, 2006.



Forest management plans: legalised forest destruction

In Cameroon logging companies are legally required to prepare a management plan for a (renewable) period of 15 years. It was hoped that this would promote the sustainable management of timber resources. Companies have three years starting from the date of concession allocation to prepare the management plan, but the requirement has been almost universally ignored. Most concessionaires have logged without an approved plan – often for much longer than the allowed three year period. In other cases companies quickly logged a large part of their concession in the first years only to abandon it after the three year deadline. Ten years after the first allocations, a number of management plans have finally received the Ministry stamp of approval even though the final conventions are still not signed in many cases.

Even when management plans are approved and implemented – it does not lead to sustainability.

Cameroon forest legislation fully authorises unsustainable logging. It is perfectly legal to prepare a management plan excluding specific management measures for some of the concession's key species; authorized harvest levels are often based on outdated inventories. The consequence of this is that even when these management plans are fully respected, many timber species are harvested at a non-sustainable rate and the forest is being degraded. For many of the commercially exploited timber species there will be only half as many commercially valuable trees left in a second rotation cycle². A recent study commissioned by the German development agency GTZ³ recommends that all management plans be revised to insure bona fide sustainability – a recommendation unlikely to be implemented any time soon.

Forest management plans in DRC

At present no DRC logging operation is subject to a management plan, but the new forest code makes such plans compulsory. If and when management plans are adopted, the forest management requirements are likely to be even weaker than in Cameroon. The French and German development agencies currently intend to financially support logging companies in the DRC with the preparation of their management plans. Considering the complete lack of institutional capacity in DRC's forest sector at this time, combined with the absence of a land use planning process in the DRC, this is, at best, a highly questionable use of taxpayers money.

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Logging companies often cut trees, such as this Moabi tree, which have great value to the local people. Moabi oil is highly valued for cooking purposes and the bark of the moabi tree is used for a wide variety of medical purposes.

Allocation of logging concessions by public auction: a farce from the beginning until the end

The 1994 Forestry code introduced a bidding system for the allocation of concessions and short term “sales of standing volume” logging permits. Under this process bids are assigned technical and economic scores which are then judged by an interministerial commission. This reform has been presented as a major improvement resulting in both better forest management and higher tax revenues. However, the results are little short of farcical.

A wide variety of allocation irregularities occurred despite the new procedures.

In 1996, the government illegally awarded seven concessions without any public auction, using a “discretionary procedure.”⁴ Four of these concessions are still logged today by the same company. Two other concessions were officially “transferred” in 2005 without a new call for bids⁵.

Of the 20 concessions allocated in 1997 only six went to bidders recommended by the commission and with the highest financial offer⁶. Most others went to members of the political elite.

After these irregularities, the World Bank recommended changes and pushed them through with conditionalities included in the third phase of the structural adjustment programme⁷. These changes included the appointment of an Independent Observer (I.O.) for the allocation process. Unfortunately, the presence of an I.O. had little impact on the political interference and other flagrant irregularities during the auctions. Some of the most common problems reported by the I.O. included falsification of technical reports, collusion among bidders and a lack of confidentiality (resulting in low bids). The Interministerial Commission regularly awarded titles to companies known to have committed large scale illegal logging activities. The auction process is clearly influenced by public officials who appear to have personal interests in the companies involved.⁸



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Timber extraction in DRC

DRC: Concession allocation and the legality review of logging titles

Auctioning of logging concessions has not yet occurred in the DRC, where over 21 million hectares of forest is already under allocation in 156 logging titles. Well over half of these logging titles may have been allocated, renewed or extended in breach of a May 2002 moratorium on the allocation of new logging titles. In October 2005, the World Bank used its financial influence to encourage President Kabila to sign a decree establishing a legal review of all existing titles. As in Cameroon, an interministerial commission will decide on the conversion of titles into long-term concessions with an Independent Observer overseeing the process. Based on the Cameroon experience, Greenpeace fears that the World Bank may accept a flawed outcome of the DRC legality review even though the Bank is the main engineer and funder of this reform. Interference in the political process and corruption in the interministerial commission are considerable risks that could seriously undermine the outcome of the legality review.

4 Global Forest Watch, 2000, p. 31.
5 CIFOR 2006
6 CIFOR 2006
7 CIFOR 2006
8 (Behle 2000)

The failure of the fiscal reform of Cameroon's forest sector

Another key component of Cameroon's forest reform was the increase in the forest area tax and its redistribution according to a 50-40-10 ratio among the State, local councils and local villages respectively. This measure has often been presented as the cornerstone of the forest sector's contribution to poverty alleviation. During the period 2000-2005 about US \$67 million was immediately redistributed to local municipalities and management committees⁹ that are set up to manage these revenues to the benefit of the local community.

Unfortunately the impact of these transfers on poverty alleviation has been negligible. Poverty in the logging areas remains very high and basic infrastructure (roads, schools, health infrastructure) is often in an appalling state. In general, there is a lack of transparency in administration of these funds: large sums of money are frequently misappropriated or misspent, exacerbating animosity between local councils and villagers and causing conflicts over land ownership¹⁰. Audit after audit has concluded that forestry revenues have had limited impact on local democracy, have resulted in marginal economic performance, have had a negative impact on sustainability¹¹ and that the "misappropriation of funds is the dominant practice".¹² Seemingly the required political will does not exist to radically reform current practices.

DRC: Where have the taxes gone?

Forest area taxes introduced by the new DRC forest code are to be redistributed locally: 25% goes to the provincial level and 15% to the "territories". The law also stipulates that these taxes be used exclusively for infrastructure investments that benefit local communities. Greenpeace enquiries indicate that local administrative entities have yet to receive any funds whatsoever from this system, even though the logging companies claim to have been paying these taxes for years. Greenpeace fears that the same mechanisms of fraud, corruption and embezzlement of public funds that sank Cameroon's forest reform will become prevalent in the DRC forest sector.

Cameroon's community forests: abused for industrial logging purposes

The Cameroon forest law created the possibility for communities to obtain and manage "community forests". Unfortunately, the majority of such forests have not yet achieved their initially expected results of increased local employment and revenues for a better livelihood for the entire community.¹³ The bureaucratic procedures to obtain and manage community forests are heavy and not well adapted to the capacities of local communities. Even though communities have pre-emption rights to log certain forests in the non permanent forest domain in practice local people are rarely aware of this possibility. As a result such forests are often signed away for industrial logging as small "cut-and-run" titles¹⁴ which rapidly destroy the forest with virtually no benefits for the communities.

Even when communities have obtained a community forest, it is not safe from industrial logging. In about half of the community forests, industrial loggers strike deals with authorities and community leaders to abuse these forests for industrial logging purposes¹⁵.

Official documents produced for the timber production from community forests¹⁶ have also been used on a massive scale to launder timber from illegal logging. The officially declared timber production from community forests is much higher than could realistically be harvested in the registered community forests.

Finally, community forests in Cameroon are only possible in the non-permanent forest domain meaning that communities mainly get access to already degraded, less productive forest blocks.

DRC: Community forests

Community forests are provided for in the 2002 forest law but an implementation decree on community forests is still lacking. There is a very real risk that DRC community forests will serve to open the door to industrial logging. The area and duration of community forestry permits is yet to be defined and whether they are to be allowed exclusively in the non-permanent forest domain, as in Cameroon, is unclear.



PHOTO

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Logs and sawn timber in the port of Douala (Cameroon), ready for export to Europe. Europe is the main export market for Cameroon timber. Growing demand for tropical hardwood fuels environmental destruction and social conflicts in Africa's rainforests.

⁹ CIFOR 2006, citing MINEF

¹⁰ Fomété 2001.

¹¹ Bigombo 2003.

¹² Fomété 2001, p. 17

¹³ CIFOR 2006

¹⁴ Sales of Standing Volume (SSV) titles; [Ventes de Coupe].

¹⁵ MINFEF 2003, p. 20.

¹⁶ For example official documents ("lettres de voiture") that allow timber from community forests to be transported.

Forest law enforcement in Cameroon with the assistance of an Independent Observer (I.O.)

Since May 2001, an Independent Observer has audited the Cameroon forestry Ministry's execution of forest law enforcement. Various donor agencies (DFID, the World Bank and the European Union) have provided funding for this. While certain illegal logging activities such as out-of-concession boundary logging may have declined,¹⁷ other illegal forestry activities such as overharvesting within the annual cutblocks of the concession may have taken their place.¹⁸ Various other forms of administrative fraud have only become better understood in recent years.¹⁹

Recent reports²⁰ which claim that illegal logging rates are much lower than previously thought camouflage the fact that other persistent illegal forestry activities such as irregular procedures to obtain logging permits, illegal relocation of logging permits, abuse of salvage logging permits and of community forests by industrial logging companies still continue. Certain recent government measures may have helped to reduce the scale of illegal logging simply by legalising ongoing activities that were previously officially banned. One example is the lifting of a never-implemented 1999 suspension on the allocation of salvage logging permits.

Many areas where forest crimes occur are never visited. It often takes the I.O. many months to react to information it receives about illegal logging – by which time the illegal logging may long be over. There are also often serious delays in publishing mission reports, probably due to pressure from the private sector, while out-of-court settlements are arranged in the interval.

After six years, the I.O. still suffers from very limited access to even basic information about the titles they're observing under MINFOF "control": missing are not only titles list (eg the I.O. had no clear idea of complete list of salvage logging titles in 2005), but access to management plans, access to maps showing the boundaries of annual cutblocks in concessions to be visited, and information on the status of follow up on infraction reports. Between 7 June and 6 September 2006, MINFOF mission preparation was reported to be "unsatisfactory" in 86% of the cases considered²¹. Publication of some forest crimes in the Cameroon Tribune creates false transparency: company names appear in connection with unspecified offences on unspecified permits. Many forest crimes never even make it to the newspaper.

Many well documented forest crimes have never been sanctioned. When fines are imposed, they usually represent only a tiny fraction of the mercurial value of the stolen timber – creating incentives to continue logging illegally. Not a single logging concession has ever been cancelled because of forestry offences – on the contrary many illegal loggers have been rewarded with new concessions.



An independent observer in the DRC?

An international Independent Observer may soon be invited to oversee the DRC forestry department in its law enforcement operations. Whilst Independent Monitoring could be an essential tool to help clean up the Congolese logging sector, it can only be successful when there is clear political support for the Independent Observer's work by the DRC government and the international donor community.

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Industrial logging is a driving force behind the commercial bushmeat trade. New logging roads allow easy access for hunters into previously inaccessible forest areas. Log transports towards sawmills in town and towards the ports offer great transport facilities to bring the bushmeat to urban markets.

¹⁷ Another explanation why out-of-boundary logging has declined is the fact that in recent years all remaining concessions were gradually allocated. Once companies own a concession, they obviously defend their forest against intrusion by other companies.

¹⁸ Global Witness 2004

¹⁹ REM, 2005

²⁰ For example CIFOR, 2006

²¹ REM (Resources Extraction Monitoring) Rapport trimestriel n° 6, October 2006, p.13.

Conclusion

The Cameroon experience suggests that, for a wide variety of reasons, DRC forest sector reform as currently promoted by the World Bank runs a high risk of failure; at best its impact will be very limited. Vested interests, corruption mechanisms and collusion between private sector interests, government officials and donors are likely to have a stronger impact on the performance of the DRC logging industry than the proposed measures and safeguards to clean it up.

As foreign funding makes up nearly 60% of the DRC's national budget, the international community has both the power and the responsibility to ensure that the experiences in Cameroon are not repeated. It is therefore essential to prevent any further expansion of the DRC logging sector and try to minimise the negative social and environmental impact of existing logging operations. Industrial logging as development model has failed to live up to its promises and now urgently needs to make way for more sustainable alternative development options.

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