



Role of the African timber trade in the creation of conflict and poverty – a call for action

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Control on “conflict timber” – an urgent policy issue

War in postcolonial Africa has often been marked by competition for control of natural resources. While the key role of profits from the exploitation of oil, diamonds, coltan and other minerals in conflicts in Angola, the Congos, Sudan, Chad, Liberia and Sierra Leone is finally gaining the international attention it deserves, the call from the international community to stop the role of the timber trade in fuelling war economies is only now emerging. Tropical timber is a high value product which is easily exploitable and readily marketable. With relatively low investments, logging can quickly generate big profits. This is why timber has often proven to be a preferred commodity for financing armed conflicts.

Several reports published in the last three years by the United Nations Security Council (UNSC) and the UK-based NGO Global Witness have highlighted how the tropical timber trade is fueling armed conflicts in the Mano River region (Liberia, Sierra Leone, Guinea) and in the Democratic Republic of Congo (DRC). Unfortunately the international community has no legislative power (yet) other than UN sanctions to ban such conflict timber exports. Recent attempts to put an embargo on the Liberian timber trade were met by heavy political resistance from the main importing countries China and France.

The international discussions to ban the production and trade of “conflict timber” are closely linked to the increasingly important policy issue of “illegal logging”. Unfortunately, numerous international timber traders continue to trade timber from companies known to be logging illegally and/or known to be involved in fueling armed conflicts. Timber traders often deny their own responsibility in this matter and recommend the problems be addressed at the source – in the producing countries. Acknowledging the enormous political importance of logging in Africa is vital to understanding why the resistance to tackle these issues at the source is so strong and may in fact not be possible without international assistance.

The current policy processes in Africa and in Europe to discuss Forest Law Enforcement, Governance and related Trade (AFLEG and FLEGT) are probably the most relevant fora to tackle the issues of conflict timber and illegal logging on a global level. African governments, the private sector and the international donor community should also use these processes to come to a better acknowledgement of the nature of logging in Africa, to strengthen the involvement of African civil society in the forestry debate and to radically improve law enforcement & governance through the promotion of independent monitoring and increased transparency.

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Liberia and the Democratic Republic of Congo: timber production in warlord economies

In Liberia, the same timber industry that financed president Charles Taylor's rebels throughout the civil war of the 1990s has been an active participant in sanctions-busting arms trafficking to his regime since its seizure of power in elections in 1997. Directors of various Liberian logging companies have been linked by the Security Council to arms trafficking. Gus Van Kouwenhoven, manager of the Oriental Timber Company (OTC) – the largest and most notorious logging operation in Liberia, has been linked to both illegal arms and illegal diamonds trafficking activities. Timber shipments and logging roads are used for the transport of arms. The Security Council further indicates how Taylor is using "*unrecorded extra budgetary income*" from his logging cronies to maintain a patronage system and support notorious paramilitary units guilty of various human right abuses in the sub-region. Loggers linked to the Ukrainian mafia in the form of its reputed head Leonid Minin obtained logging concessions and imported arms in return. All this helped Taylor arm the rebels of the Revolutionary United Front (RUF) in Sierra Leone, who are guilty of mass murder, rape, and the systematic amputation of the limbs of civilians. Sierra Leone is today ranked by the United Nations as the least-developed nation in the world with an average life expectancy of 25.9 years.

In the Democratic Republic of Congo, logging revenue has helped fuel a war that has directly killed over 300,000 people and, indirectly, 3.5 million more. According to the UN Security Council, Congolese logging has been characterised by "*unlawfulness and illegality.*"

The recent coup attempts in the Central African Republic and Ivory Coast – two major wood producing countries - are important reminders that the conflict timber issue is potentially relevant for large parts of Africa and that international regulation to prevent the timber trade from further fuelling of armed conflicts is urgently needed.

International community fails to act – the case of Liberia

Despite the clear evidence linking logging and arms traffic, the call for an embargo on Liberian timber has gone all but unheeded both by industry and industry's friends in government. In 2000, Liberia's two biggest timber clients, France and China, effectively blocked adding wood to the sanctions imposed on the Taylor regime by the UN Security Council. Greenpeace investigations in 2001 and 2002 revealed large-scale involvement of European importers in profit-making from Liberian war wood. High-profile ATIBT members were found to be importing logs from the very companies UNSC experts accused of involvement in arms trafficking. The response of these traders to Greenpeace's revelations makes one wonder whether they have any real interest in cleaning the rot out of their profession. While certain firms simply refused all discussion of the matter, others unflinchingly lied, denying any dealings with the companies specified by the Expert Panel -- even when these companies' logs were plain to see in their logyards. Certain other long-time ATIBT members, more concerned about keeping up appearances, instructed their suppliers to change the markings on logs cut by "problem" companies. Their suppliers were only too happy to comply. Most recent strategy to date: Europe's largest tropical timber importer simply denies the veracity of the findings of the Expert Panel. As far as these businessmen are concerned, their suppliers don't pose a problem, period.

(Illegal) logging and conflict in countries at peace

Industrial logging very frequently causes serious social conflicts and human rights abuses in African countries at peace too. Unfortunately, these are much less documented than other negative aspects of the timber trade such as the bushmeat crisis. Local people frequently try to prevent logging companies from destroying the forests upon which they depend. Villagers protest against loggers who often do not pay taxes to the local community or do not adequately compensate villagers for the damage created to their agricultural land. Villagers often blockade logging operations, write letters to their local officials – some even try to defend their rights by going to court. Unfortunately such attempts are all too frequently met by severe intimidation and imprisonment.

Illegal logging - now recognised as an important feature of the African logging sector - results in massive economic losses for countries in bad need of revenues for education and health care infrastructure. As with the trade in conflict timber, Greenpeace research indicates that the European timber trade is heavily involved in the trade in timber that has been harvested illegally. Even though the European timber trade increasingly expresses concern over the extent of illegal logging in the tropics, very few companies seem willing to stop their business with companies proven to be involved in large scale illegal logging.

The political economy of logging in Africa

While the private logging sector and African governments often try to justify the role of industrial logging by stressing its profitability for the state and the creation of jobs, one has to ask why these destructive and often illegal practices in the sector are allowed to continue.

Political scientists such as Jean-François Bayart have been warning international policy makers for many years about an ongoing process of *criminalization* of many African states: the plundering of natural resources in Africa is developing into a system – into an *economy of plunder*. Prof. Bayart warns that it would be a major error to consider practices that allow plundering as mere corruption or a system of political decay. He considers such activities as the fundamental *modus operandi* of what he calls *the politics of the belly – la politique du ventre* that motivates major decisions in many African States. In this view, the African state is now fundamentally *patrimonialist*: holding power is a proprietary rather than a managerial function. Confusion between public functions and private interests is actively promoted. The State is composed of an official, "legal" authority and – more importantly – a hidden, underlying, "real" one - a *shadow state*. Often, not the forestry officials exert real power on the forestry sector but a combination of the bureaucratic elite, the Presidency, and circles of businessmen with strong political ties. Collusion and nepotism dominate the functioning of the state agencies involved in the forestry sector. Control over the access of the forest resource is control over power and the allocation of concessions becomes a mechanism to reward supporters of the political system and to consolidate existing power structures. In such a system, informal relationships, networks and kinship are much more important factors in the granting of cutting permits than the strictly economic rationale.

Resistance to transparency in the forestry sector

From the viewpoint of the ruling elites, the state functioning described above is a highly efficient and rational distribution system and certainly not a defect of an administration that should ideally function as a modern bureaucracy. This is why attempts to make the resource management in African countries more economically efficient and more transparent are met with major resistance.

In Cameroon for example, the World Bank imposed a system in the mid 90s for forest concession allocation according to an – in theory – clear set of rules. Despite these new rules– the evaluation of the tenders remained largely opaque and logging companies known to be involved in fraud and illegal logging were often the winning bidders because of their political connections. Information on illegal logging is now rapidly increasing in Cameroon. An independent observer has been established (the UK based NGO Global Witness) to assist the forestry department to carry out field investigations and to observe how the government follows up on forest infractions. Even though it cannot be denied that this is a positive development – it should also be noted that publication of findings on illegal logging are often seriously delayed and that some of the largest illegal logging operations are still not sanctioned more than two years after the evidence was compiled.

But compared to Cameroon, the lack of transparency is an even more serious issue in the other major timber producing countries such as Gabon, Congo-Brazzaville and the Central African Republic where the concession allocation process is entirely opaque and where independent field observations of the forestry sector are virtually non-existent.

Logging in the official economy – lead sector for development or creator of poverty ?

If the role logging plays in consolidating the above described patrimonialist system is by definition negative, the role logging plays in the formal economy of African states has never been adequately studied. The real net contribution, if any, of the industrial logging sector as a whole to the economies of the countries in which it is present has yet to be fully demonstrated.

The idea that the trade in timber creates long-term economic growth may prove to be false: the natural resources on which the assumption is based are in the process of being destroyed. Most revenue from forestry -- including, notably, most profits -- derive from a first logging cycle in primary forest. The economic value of the forest declines sharply after that.

While loggers often cite the tax revenue they raise for needy governments, they have less to say about the enormous economic losses these same governments suffer due to illegal logging. In Cameroon, over the last several years, the amount of illegal logging appears to have greatly surpassed the amount of legal logging. Recent research on the scale of illegal logging estimates a net loss of many hundreds of millions of dollars to the state treasury. One can only guess the extent of the total losses, region-wide, attributable to ATIBT members and their "unscrupulous" competitors.

If donor agencies are genuinely concerned about poverty alleviation in Africa rather than the further expansion of a multinational logging industry per se - it is important that the forestry sector now first undergo a detailed economic audit. Donor agencies invest millions of dollars on damage-control for private logging companies (forest management plans, anti-bushmeat

operations, efforts for certification ...). The assumption is that these firms can't afford to undertake these important activities themselves. But can't they?

The profit structure of African logging companies seems to be one of the sector's best kept secrets, but an increasing number of experts suggest the profit margin of many Congo Basin logging firms is enormous.

Fortunately, some donor agencies are now starting to realise that investing taxpayers' money in strengthening law enforcement & governance, promotion of transparency via independent monitoring operations and the facilitation of community-based forestry operations may be a much more meaningful contribution to environmental protection and poverty alleviation than pumping more money into the further expansion of industrial logging operations.

Using the opportunity: the Ministerial Conference on African Forest Law Enforcement & Governance (AFLEG)

Substantiated information is now becoming available that allows to start putting the purported long term net benefits of the timber sector into its broader perspective: the sector is also responsible for the creation of major social conflicts and human rights abuses. Fraud in the African forestry sector and large scale illegal logging activities may in the long term contribute more to poverty in Africa than the formal logging sector contributes to sustainable development.

Due to the growing recognition of these issues at the international political level, African governments and donor agencies are planning a ministerial conference (AFLEG) next spring (April 2003) to discuss how forest laws can be improved and better enforced in the African rainforest. Due to some pressure from African NGOs, the issue of "conflict timber" will now most probably be an important aspect of the ministerial conference. The fact in itself that such a conference is organised in Africa could indicate that there is growing recognition that the forestry sector is in great need of better management.

The AFLEG conference offers an important opportunity to strengthen the involvement of African civil society in the debate about the management of their forest resources. A real commitment to transparency in the management of the African forestry sector probably is the biggest challenge African governments and donors will face at the conference. The publication of (uncensored) economic audits of the forestry sector and the acceptance of independent field investigations into the forest concessions are pre-conditions for the promotion of social and ecological sustainability of the forestry sector.

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