

Chainsaw criminal REEF

GREENPEACE



Traditional barrier set up by villagers of Molongo to stop Reef's logging operation. © Greenpeace/Oosterveld

Executive summary

“By owning forest concessions, Reef is ensuring that wood is produced legally. Reef promotes the use of sustainably produced wood.” *Reef website*

The Dutch logger and timber trader Reef has an excellent environmental reputation. But Reef's own logging activities are not always as environmentally and socially responsible as Reef wants its customers to believe.

In March 2003, researchers from Centre pour l'Environnement et le Developpement (CED), Forests Monitor and Greenpeace documented evidence of large-scale illegal logging by Reef in Cameroon. These joint field investigations revealed that Reef has logged outside its legally allocated cutting permit, VC 11-06-13. Also, Reef logged a large area, well outside the official limits of another area, VC 11-06-12.

Using Global Positioning System (GPS) co-ordinates, the investigations have provided evidence of an illegal road network, log ponds¹ and abandoned logs outside Reef's legally allocated logging areas.

Some of the illegally cut logs were found to have been fraudulently marked with Reef's legal logging title marks, which is a clear method of laundering illegal timber into the marketplace. The investigations also revealed that Reef's logging operation was very destructive, causing significant ecological damage. Also, it caused significant economic losses to the Cameroonian government, and economic loss and social damage to local communities.

notes

¹ Log ponds (parc à bois) are areas where logs are temporarily stored prior to their transport.

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Illegal road construction has destroyed agricultural and cash crops of numerous local villagers. These farmers depend upon these plantations for food and cash incomes, and received no compensation at all. Local villagers were so angry with the company that they blockaded the logging operation using traditional methods (see cover). CED, Forests Monitor and Greenpeace believe that Reef must be held accountable for the damage it has caused, and that the Cameroonian government and the local people must be fully compensated.

To this end CED, Forests Monitor and Greenpeace call on:

- The Government of Cameroon – to urgently carry out a detailed inventory to calculate the economic damage these illegal logging operations have caused, and to impose adequate sanctions on Reef and its partner companies and ensure full compensation for the local people affected by Reef's illegal logging operations.
- The Dutch government and other Reef customers - to stop buying from Reef until Reef can substantiate that none of its timber comes from illegal logging operations.
- Governments - to adopt green procurement policies. Governments should only buy timber from legal forestry operations, which are certified at least to the standards demanded by the Forest Stewardship Council (FSC).
- The Cameroon and Dutch governments and the European Union - to strengthen legislation against illegal logging and the trade in illegal timber, and make sure these laws are fully enforced.



Reef logs on their way to the sawmill.

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Reef's sawmill in Kumba. © Greenpeace/Oosterveld

THE COMPANY REEF

The company Wed. J. Reef BV started in 1926, and is specialised in producing wood for marine construction.

In Europe, Reef has an outstanding environmental reputation. The company is one of the co-founders of FSC-Netherlands, and indeed the company very proactively supports the use of sustainably produced wood. In 2001, 30% of the wood sold by Reef was FSC-certified. The company says it has plans for FSC-certification in Cameroon. However, at the moment this is impossible, since Reef has no Forest Management Unit (FMU).²

Reef's Cameroonian daughter company TRC (Transformation Reef Cameroun) has a sawmill in Douala, and recently took over a sawmill in Kumba, in the Southwest province, from STIK, a company related to the Dutch logger Wijma. Together with its Cameroonian partner, PMF wood, TRC currently has three Vente de Coupes. TRC also works together with another Cameroonian company, SEPFCO.

Reef buys timber from a variety of third parties that are involved in destructive and illegal logging operations in Cameroon. One of its suppliers, Kieffer, was fined FCFA 3 million (€ 4500) in October 2001 for "violation of exploitation guidelines".³

Box 1 - Ventes de coupe

"Ventes de coupe" (VC) are titles to log an area of 2,500 hectares in the non-permanent forest estate over a three year period. These logging operations are allocated at auction to the highest bidder, and are often exploited in a highly destructive manner as no management plan is legally required. VC logging titles are widely abused in Cameroon, and the titles are often used to organise illegal logging operations in a much more extensive forest area than is allowed by the legal title. One World Bank financed report revealed that up to 90% of ventes de coupe in Cameroon's East Province are operated illegally.⁴

notes

² A FMU is a defined area of forest exploitation for which a management plan is required. It is the only type of industrial logging exploitation in Cameroon where sustainable forestry is possible. In a FMU, the right to log is given for a 30-year period. This is long enough for the long term planning needed for sustainable forestry.

³ MINEF communiqué (CT, October 19, 2001).

⁴ Milol AC and Pierre J-M (2000) Impact de la fiscalité décentralisée sur le développement local et les pratiques d'utilisation des ressources forestières au Cameroun. Final report commissioned by the World Bank, January, 2000.



Logging road in Reef's
Vente de coupe 11-06-13.
© Greenpeace/Oosterveld

ILLEGAL LOGGING AND SOCIAL CONFLICT IN MOLONGO

In March 2003, CED, Forests Monitor and Greenpeace visited Reef's Ventes de Coupe (VC) 11-06-13 and 11-03-14, in the Kupe Manenguba department, Tombel arrondissement, in the Southwest province of Cameroon. In these VCs, Reef works together with the Cameroonian company PMF Wood⁵. The permits for these Ventes de Coupe were issued to PMF Wood on respectively August 3, 2001⁶ and August 7, 2001⁷.

The village of Molongo is located in the middle of the Reef/PMFW VC 11-06-13. On the day of the joint NGO visit to the VC, the villagers had just put up several traditional barriers to stop the logging (see cover). The village population was very angry with Reef/PMFW, because they were not keeping their promises. According to the villagers, Reef/PMFW broke the following promises:

- verbal agreement that the timber companies would build several sustainable bridges, that would last a long time, so the village could use them long after the logging company would be gone. Instead, temporary bridges were constructed just strong enough to support the brief log evacuation period.
- verbal agreement to build several good roads.
- promise to supply materials for the construction of the village community hall, school and church.
- bulldozing and levelling of the land area to accommodate village church and community hall.
- promise to cement the floor and put ceiling boards in the house of the chief, as compensation for hosting and lodging the workers.

notes

⁵ Reef website: www.reef-goor.nl

⁶ Source: Arrête nr. 0650/A/MINEF/DF/SDAFF/SAG

⁷ Source: Arrête nr. 0675/A/MINEF/DF/SDAFF/SAG

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In addition, the road that the village had already invested in has been totally destroyed by the logging companies. The road is not accessible anymore by a normal car. Villagers claim they will not even be able to walk over the road during the wet season, as it will be turned into a river of mud. The villagers are dependent on this road to travel to a neighbouring village, where they sell their crops.

Several cocoa plantations belonging to the villagers were destroyed by the logging operation. They have received no compensation for their losses. Moreover, as the company prepares to leave, the unused logs are being burnt or buried, so that the villagers cannot use them.

On the day of the field research, there was a meeting in the village between the logging company, local government representatives, and the village. The company agreed to start the work it had promised to do on the church and school the next day. The parties agreed to have another meeting the next week. Until that meeting, the traditional barriers would stay in place, making it impossible for the logging companies to transport any wood out of the forest. The planned extra meeting never took place. The current situation in the village is unclear.

Box 2 - The importance of Azobé

Dutch forestry companies in Cameroon, including Reef, have specialised in the production of azobé, a species highly prized in the Netherlands for marine construction, and, throughout Europe, for the fabrication of railroad ties.

Using a GPS receiver⁸ to record geographic co-ordinates, CED, Forests Monitor and Greenpeace documented 1 log pond outside the southern boundary of the Vente de Coupe (see Map 1). Several logs in the illegal log ponds were fraudulently marked with Reef/PMFW's legal logging title.

The logging operation was extremely destructive. The ecological damage in the forest is significant. Logged trees were, among others, the valuable species Azobé, Moabi, and Sapelli⁹.

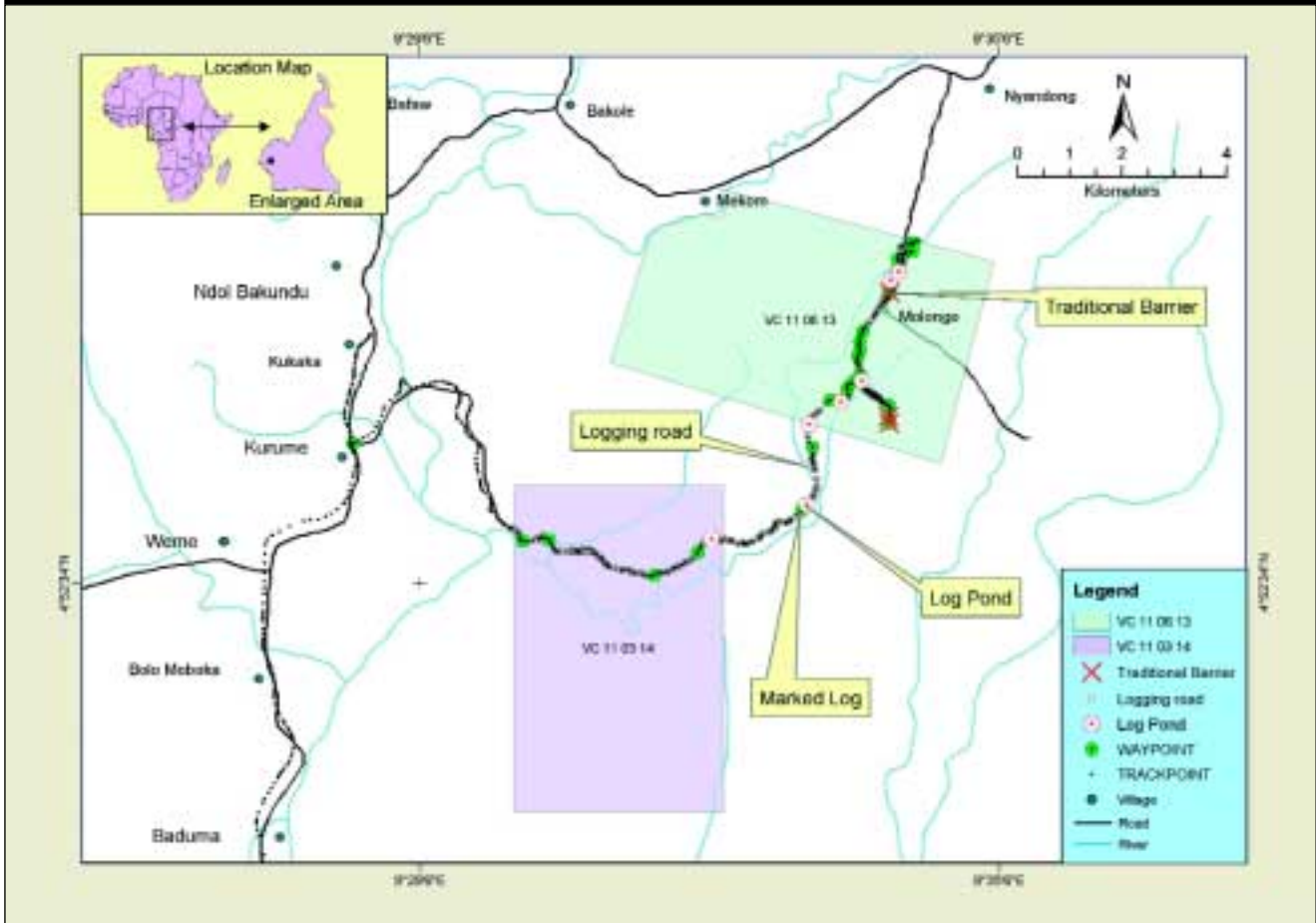
At the time of the field research, Reef/PMFW had almost finished logging. The total ecological, economic, and social damage can only be calculated after the companies have finished logging.

notes

⁸ GPS (Global Positioning System) receivers allow users to accurately pinpoint their location on the surface of the earth to within 30 meters.

⁹ Azobé (*Lophira alata*), Moabi (*Baillonella toxisperma*), Sapelli (*Entandrophragma cylindricum*), all classified as vulnerable by the IUCN. www.redlist.org.

Map 1 - REEF logging out of limits



ILLEGAL LOGGING NEAR EDIKI AND MOTONDO I

The NGO's also visited VC 11-06-12, located in the Meme department, Konye Arrondissement, in the southwest province of Cameroon. In this VC, Reef works together with the Cameroonian company SEPFACO¹⁰. The permit for this VC was issued to SEPFACO on March 23, 2000¹¹.

This logging area is very close to the logging area around Molongo. The logging operations are managed by the same people. All the wood goes to the Reef sawmill in Kumba or the sawmill in Douala.

Using a GPS receiver to record geographic co-ordinates, CED, Forests Monitor and Greenpeace documented a large road network about 5 kilometres away from the limits of the legal logging title. Also, 6 log ponds were found in this road network. Logs carrying the markings of Reef/SEPFACO's Vente de Coupe 11-06-12 and SEPFACO's company markings were found in log ponds along the illegal roads, indicating that Reef/SEPFACO had been operating illegally well outside their official limits (See map 2).

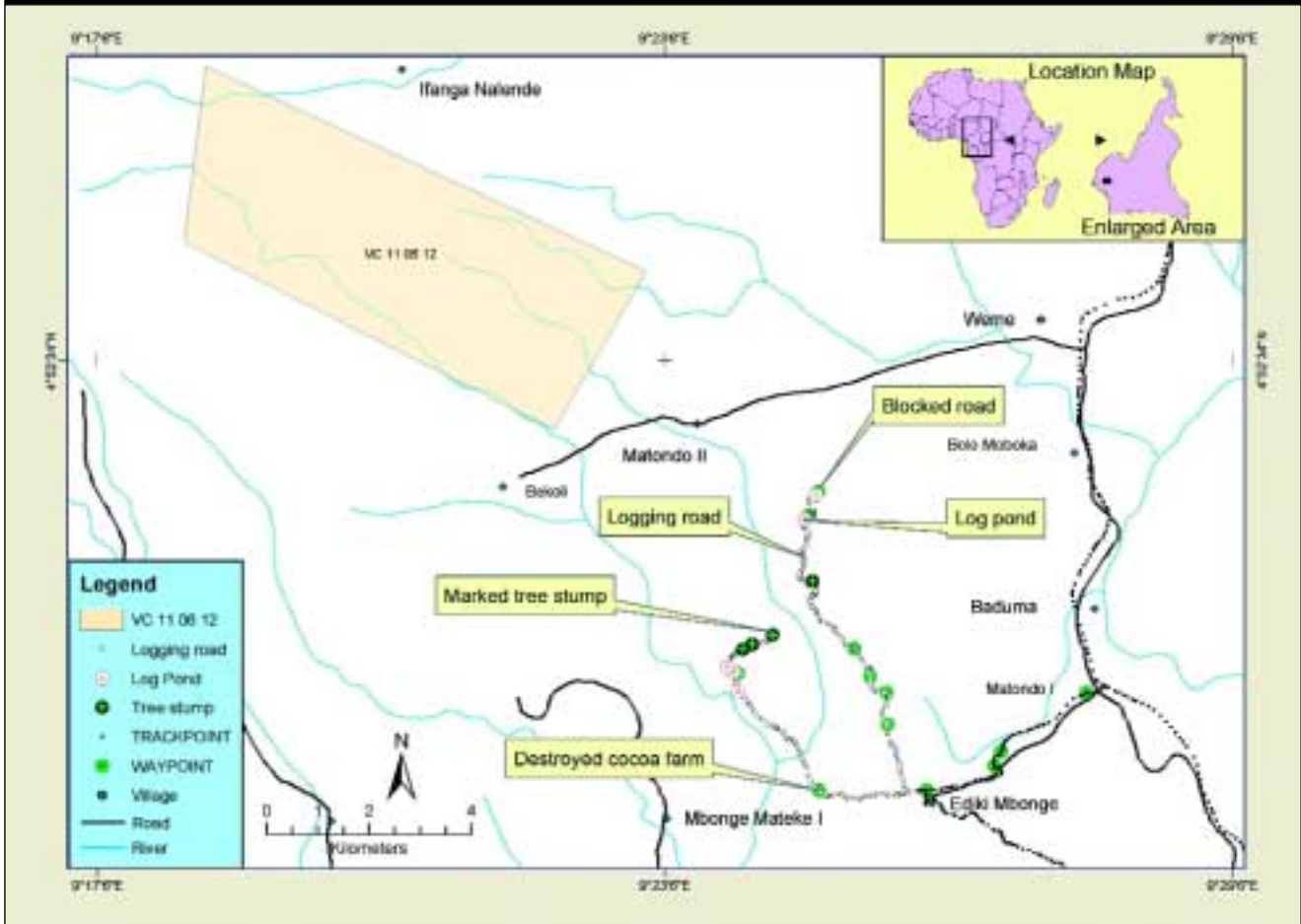
Based on the road network, log ponds and marked logs that this investigation uncovered, it is clear that Reef/SEPFACO has carried out an extensive illegal logging operation in this area. The researchers were unable to investigate the total size of the illegal logging operation. For

notes

¹⁰ Statement by Mr. Jose Quarasma, general Manager of TRC head office in Douala, during telephone conversation with CED representative.

¹¹ Source: Arrête nr. 0317/A/MINEF/DF/SDAFF/SAG

Map 2 - REEF logging illegally



example, the researchers were not able to follow all the illegal roads, since the road had been blocked on purpose with a log. Once the logging companies have finished logging (they were almost finished when the field research took place), an investigation is needed to get a complete picture of the extent of the illegal operations.

As in Molongo, the logging companies broke several promises they had made to the inhabitants of the nearby villages Ediki and Matondo I. The logging road Reef/SEPFCCO built is of such poor quality that the villagers can not use it. The villagers were hoping the road would give them an easier connection to the main road to Kumba. The road is built through a large village cocoa plantation. Numerous plantations were also destroyed by the illegal logging itself. The village received no compensation for these damages. Also, the village never received the 10% of the annual forestry fee that are a legal requirement of operating a VC.

Due to the large-scale illegal logging by Reef/SEPFCCO, the Cameroon government has suffered significant economic losses. It has not received the taxes required for legal logging operations. For example, stumpage fees at 2.5% of the FOB value¹² of cut timber are among a number of taxes that are due on legally cut timber. Again, the researchers were not able to establish the exact size of the illegal operation. The real damage can only be calculated after the whole illegal logging operation has been evaluated.

notes

12 FOB – Free on Board.

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Using a GPS, researchers can pinpoint the exact location of found logs. In this manner, it can be proven logging has taken place outside a legally allocated logging area. This log carrying the marking of the SEPF/CO/REEF Vente de Coupe 11-06-12, was found kilometres outside this logging title.

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RECOMMENDATIONS

CED, Forests Monitor and Greenpeace recommend that:

- MINEF¹³ urgently conducts an official investigation into this case, assessing the extent of the illegal logging operations, the ecological, social and fiscal damages;
- MINEF holds the companies accountable for the ecological, economic and social impacts of their illegal logging operations and ensures payment of all fines and taxes to the government and full compensation for local communities;
- MINEF prohibits Reef/SEPF/CO/PMFW from receiving further logging permits until they can demonstrate that they are willing to operate within their legal obligations;
- Reef/SEPF/CO/PMFW provide immediate and adequate compensation to the local communities for the damages caused to their livelihoods by this operation;
- The Dutch government and other Reef customers stop buying from Reef until Reef can substantiate that none of its timber comes from illegal logging operations;
- Governments adopt green procurement policies. Governments should only buy timber from legal forestry operations, which are certified at least to the standards demanded by the Forest Stewardship Council (FSC).
- The Cameroon government establishes a clear procedure for processing and acting upon third party findings of illegalities in the forestry sector in a rigorous and transparent manner;
- The Cameroon and Dutch governments and the European Union strengthen legislation against illegal logging and the trade in illegal timber, and make sure these laws are fully enforced.

notes

¹³ MINEF is Cameroon's Ministry of Environment and Forests.

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Appendix 1 - GPS co-ordinates for illegal logging in Molongo (map 1)

Waypoint description	Co-ordinates
Bridge	32 N 558257 539146
Bridge	32 N 559085 539577
Destroyed farm	32 N 562182 543616
Traditional barrier	32 N 562750 542061
Traditional barrier	32 N 562734 542174
Junction	32 N 562187 542985
Junction	32 N 562910 545198
Log	32 N 561079 540394
Log	32 N 562147 543335
Traditional barrier	32 N 562767 544555
Molongo	32 N 562246 543817
Log pond	32 N 561218 542037
Log pond	32 N 562228 542872
Log pond & junction	32 N 559355 539844
Log pond	32 N 561826 542465
Log pond	32 N 562782 544797
Log pond	32 N 562938 544962
Log pond	32 N 561174 540489

Appendix 2 - GPS co-ordinates for illegal logging near Ediki and Motondo I (map 2)

Waypoint description	Co-ordinates
Marked stump	N4.82484 E9.39865
Marked stump	N4.82570 E9.40034
Marked stump	N4.82738 E9.40387
Marked stump	N4.83695 E9.41094
Blocked road	N4.85284 E9.41195
Bridge	N4.81149 E9.42419
Bridge	N4.82493 E9.41822
Farm	N4.82000 E9.42102
Cacao plantation	N4.77158 E9.48158
Culvert	N4.84869 E9.41040
Destroyed plantation	N4.79978 E9.41204
Ediki	N4.79976 E9.43096
Eroded road	N4.80409 E9.44292
Eroded road	N4.80668 E9.44406
Flooded road	N4.82059 E9.39771
Log pond	N4.81735 E9.39778
Log pond	N4.82081 E9.39713
Log pond	N4.83669 E9.41081
Log pond & junction	N4.82168 E9.39588
Log pond	N4.84786 E9.40960
Log pond	N4.85223 E9.41157

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