

# Stolen future

## Conflicts and logging in Congo's rainforests – the case of Danzer

### 1. Introduction

The logging sector in the DRC continues to make shocking headlines with its use of violence and human rights abuses to quell villagers who simply demanded that they receive what is rightfully theirs. Danzer<sup>1</sup> has again been involved in a retaliation mission by security forces against a forest community, by transporting and paying the 'commando'.

On 2 May 2011, members of the forest community of Yalisika, living in the village of Bosanga in the territory of Bumba (Equateur Province), were victims of harsh violence by a group of police and military personnel. Several women and girls were raped, several people were badly beaten, the property of many villagers was destroyed, 16 people were arrested, and one victim died on the night of 2 May. Not only did the villagers suffer at the hands of military and police but Danzer's own employee destroyed personal property, driving company equipment over villagers' meager belongings. Later, en route from the village to the prison, the Danzer vehicle made a stopover at Danzer's worksite, where the company manager was seen paying the security forces. This is not the first time that military intervention has followed protests by villagers against the Danzer logging company in the DRC, when forests communities try to hold the company to account for its unfulfilled promises to provide social basic infrastructure to the communities in exchange to their forests exploitation.

Danzer's dubious track record in DRC has been widely documented by Greenpeace and other organisations in the past years<sup>1</sup>. For the story of the Yalisika case exposed in this briefing, a Greenpeace team carried out a fact-finding mission in the Bumba area with members of the Congolese NGO network, Réseau Ressources Naturelles (RRN), collecting testimonies and statements from various sources.

While violence associated with logging companies operating in DRC is more the norm than the exception, the Yalisika community has been punished with exceptional violence. This case is also unique in the fact that the community has instigated a criminal complaint in a court in DRC. On 31 August the Yalisika victims' legal counsel held a press conference in Kinshasa to announce that he had filed a criminal complaint on behalf of his clients against the alleged perpetrators of the 2 May crimes, including an employee of the company. The crimes cited were: rape, attempted rape, beating with death as a consequence, destruction of moveable property, torture and incitement of soldiers to break the law.

Filing this criminal complaint was an act of extraordinary courage given the retaliation that occurs so often when communities stand up for their rights. The community's lawyer has to date received two anonymous phone calls advising him to drop the case.

In recent weeks Danzer's management has tried to sweet-talk its victims into forgiving-and-forgetting, and has pushed for an out-of-court settlement.

Greenpeace hopes that justice can and will be served. Greenpeace recommends that an independent organisation monitors the legal case and reports regularly to the government, the international donor community and to local, national and international civil society groups.

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<sup>1</sup> Danzer Group is a German-owned Swiss-based logging company. Different parts of the Group, including Danzer's company in the DRC 'SIFORCO' are closely interlinked. In this briefing we will refer to any Danzer Group entity as Danzer.

## Danzer Group in the DRC

The German-owned, Swiss-based Danzer Group, which claims to be the world's leading manufacturer of decorative hardwood veneer, is also a major producer and trader of hardwood timber. Danzer Group subsidiary Société Industrielle et Forestière du Congo (Siforco) is the DRC's second-largest logging company, with over 2 million hectares of forest titles. Danzer started logging in the Bosanga area in 1993 and signed a 'social responsibility agreement' with traditional chiefs in January 2005.

Last year, Danzer became the first logging company in the DRC to receive a Forest Stewardship Council (FSC) certificate for 'Forest Management for Controlled Wood'. Early in November 2011 Greenpeace filed an official complaint with FSC based on its policy of association, demanding that the FSC disassociates from Danzer Group and revokes all of its current FSC certificates.

## 2. The Yalisika case and Danzer's responsibility

In the early morning of 2 May 2011, about 60 police and military personnel<sup>2</sup> were deployed to Bosanga, in the Yalisika *groupement*<sup>3</sup>. Testimonies gathered by the Greenpeace / RRN investigation shows that they:

- beat Frédéric Moloma Tuka (born 1952), who died the same day, apparently from his injuries;
- raped and attempted to rape several women and girls;
- beat numerous people, including an elderly man; at least two were left in a serious condition;
- entered villagers' homes, systematically removing and destroying property;
- burned a house to the ground;
- arrested 16 villagers arbitrarily, including a medical practitioner, the person most able to render aid to the victims; and that
- a Danzer employee destroyed villagers' property as it was seized, by running a Danzer Group dump truck over it.

### Danzer involvement

- The perpetrators of these crimes were transported to Bosanga in a Danzer dump truck and a Danzer jeep.
- A Danzer employee drove the dump truck.
- The Danzer dump truck was also used to transport the people arrested to Bumba prison.<sup>4</sup>
- While en route to Bumba the Danzer dump truck transporting the arrestees stopped at Danzer's Engengele worksite and the worksite manager, Klaus Hansen, is reported to have climbed aboard to view the people who had been arrested.
- During the stopover at Engengele, Hansen paid the military and police officers accompanying the arrestees.
- On 30 April Danzer hosted the meeting of the territorial security committee at which the decision to dispatch military and police to Bosanga was taken. In light of previous incidents, Danzer must have known that violence was very likely to occur as a result of this decision.

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<sup>2</sup> *Force navale and police nationale.*

<sup>3</sup> *Groupement: Yalisika ; territoire: Bumba; district: Mongala; province: Equateur.*

<sup>4</sup> Danzer is also alleged to have provided fuel for these vehicles.

### 3. Chronology of the Violence

Danzer Group started logging in the Bosanga area in 1993 and signed a 'social responsibility agreement' with traditional chiefs in January 2005. Such agreements, called 'cahiers des charges', are now a legal obligation, and one of the only supposed benefits for local people when industrial loggers arrive in their communities. Residents of the Yalisika *groupement*, in which Bosanga is located, were promised a school and a health facility. Other gifts included 10 footballs – to be divided up among several villages.

In 2009 the community had still not received either the school or health facility. Danzer Group's excuses included the 'international financial crisis' and the 'rebellions, which raged in the region in past years', and it drew up a revised schedule for delivery of the promised infrastructure.

In at least three separate incidents in January, March and April 2011 Bosanga-area communities tired of Danzer's stalling on the delivery of infrastructure briefly blocked logging activities. Villagers of Yanzela, Libute, and Auma confronted company employees, occasionally seizing property. There were no reports of injury.

#### April 2011

On 20 April Yalisika villagers seized Danzer radio equipment, a solar panel, and several batteries – providing a receipt for the items that was countersigned by a Danzer employee. Klaus Hansen, Danzer's Bumba-area worksite manager, immediately filed a criminal complaint against members of the community. In his complaint, dated and stamped 'received' 20 April, he refers to one incident, which he says occurred on 21 April, where a Danzer employee was threatened by Yalisika residents; the employee named would later testify that this never happened.

**It appears that Danzer eventually attempted to withdraw its overhasty April 2011 complaint, only to find that the court at Lisala had already thrown it out as it lacked any foundation.**

In the complaint, Hansen also accuses Yalisika villagers of confiscating *6,000 cubic metres* of diesel fuel. It seems he meant *60 litres*, and was referring to a separate incident involving different villagers. In addition to his citation for involvement in the crimes committed in Yalisika on 2 May, Hansen also stands accused of libel and falsification of evidence.

It appears that Danzer eventually attempted to withdraw its overhasty April 2011 complaint, only to find that the court at Lisala had already thrown it out as it lacked any foundation. It appears that Danzer eventually attempted to withdraw its overhasty April 2011 complaint, only to find that the court at Lisala had already thrown it out as it lacked any foundation.

No doubt Danzer Group's first request for the intervention of local authorities at Bosanga coincided with the filing of Hansen's complaint in April. Police showed up in Yalisika soon thereafter. On 29 April Danzer flew in Yalisika *groupement* chief Maurice Ambena Zaingali from Kinshasa. While in Bumba, before travelling on to Bosanga, he appears to have met with at least three local administrative and security officials. On 30 April, Ambena promised Hansen that all seized material would be recovered by 2 May. He claims that Hansen provided him 15 litres of fuel for his onward journey to Bosanga.

**On 30 April Danzer hosted a meeting of the territorial security committee at its Kpengbe worksite where the decision to dispatch military and police to Bosanga was taken. Security committee members were transported to the meeting at Danzer's expense.** Danzer has not mentioned this meeting in either its extensive private<sup>ii</sup> or extremely rare public communication on the 2 May atrocities.

#### May 2011

Shortly after his arrival at Bosanga on 1 May, Yalisika chief Ambena presided over a village meeting at which it was agreed the community would return all the objects they seized on 20 April.

At approximately 3:00 in the morning of 2 May about 60 police and military personnel arrived at Bosanga on **a Danzer dump truck driven by a Danzer employee**. Ambena was arrested and returned to Bumba with Colonel Koyo **in a Danzer jeep**. Shortly thereafter, police and military personnel raped several women and girls, and attempted to rape at least one other woman. Numerous beatings ensued, including those of elderly people. The beating of Frédéric Moloma Tuka was witnessed by his son, who was able to escape his aggressors. It was reported that Moloma Tuka's arms were bound, and that he was later abandoned, unable to stand, in front of his house.

After the arrest of Ambena, 15 further arbitrary arrests were made, including of at least two minors. It appears that none of the people arrested was among those accused by Hansen in his April complaint regarding the seizure of

Danzer property. Police and military went from house to house seizing and destroying property. People's possessions were dumped in front of the Danzer vehicle and **the Danzer driver ran over them**. One house was burned to the ground. The punitive expedition went on all morning.

**The villagers under arrest, some in their underwear, were loaded into the Danzer dump truck**, and transported to Bumba prison. **En route, the vehicle made a stopover at Danzer's worksite at Engengele, where Hansen was reported to have climbed aboard the truck to view the arrestees. Hansen paid the police and military accompanying them.**

After the departure of the military and police, Moloma Tuka's son and the village leader carried him by stretcher to the health centre of Mangbokpalé. Upon arrival at the health centre they discovered that the nurse had been arrested and they returned to Bosanga. Moloma Tuka is reported to have died the night of 2 May and was buried in the village the following day.

On 6 May the 15 arrestees were freed by order of the Mbandaka Appeals Court Prosecutor's Office, some of them still wearing nothing more than their underwear and not carrying any money. At no point did the arrestees see documentation stating the reasons for their arrest.

Danzer covered the cost of medical assistance or examination of nine victims. This appears to have cost the company between 62,000 and 90,000 Congolese francs (\$68 and \$99 US dollars) for medical care in Bumba.

*"The local communities of Yalisika village (...) demand that justice be done in punishing those responsible for the atrocities: a fatal beating, rapes, inhuman and degrading treatment, and property destruction inflicted on them (...) For this purpose, they are informing the Congolese people and the international community that they have lodged a formal complaint (...) to ensure strict enforcement of the law..."*

- Press release from the lawyer of the Yalisika community, John Biselele Tshikele  
[Greenpeace translation]

*"According to their lawyer, the community filed a formal complaint against Siforco for the punitive expedition led on 2 May 2011 by police force against the population, which gave rise to rapes, attempted rapes, beatings and injuries causing the death of Muloma Tuka, destruction of goods in several houses, arbitrary arrest and torture of villagers and incitement of violence that resulted in unlawful conduct by military forces."*

- Le phare online, 1 September 2011  
[Greenpeace translation]<sup>iii</sup>

## June 2011

### **Eight weeks after Danzer's involvement in the atrocities at Bosanga – the company finally posted a statement on its website.**

On 16 June a Greenpeace International press release revealed the first elements of a Greenpeace and RRN fact-finding mission in Bumba and Bosanga.<sup>iv</sup>

On 17 June DRC's UN radio station Radio Okapi reported that none of the perpetrators of the 2 May crimes, which the radio had reported on 5 May, had yet been taken into custody.<sup>v</sup>

On 28 June – eight weeks after Danzer's involvement in the atrocities at Bosanga – the company finally posted a statement on its website.<sup>vi</sup>

On 29 June a Danzer delegation led by Siforco CEO Dieter Haag travelled to Bosanga. Villagers told Haag they objected to the company's visit while they were still in mourning.

## July 2011

In the first week of July, residents of Auma, a community close to Yalisika, seized Danzer Group property. It is claimed that several people were arrested.

In mid-July, villagers at Yambenga, near Danzer's base at Engengele, were reported to have blocked logging trucks.

## August 2011

On 28 August, it appears that Danzer again allowed public authorities to borrow company vehicles to execute arrests, this time in Auma, in connection with the July incident there.

On 31 August the Yalisika victims' legal counsel held a press conference in Kinshasa to announce that he had filed a criminal complaint on behalf of his clients against the alleged perpetrators of the 2 May crimes, including Hansen. The crimes cited were: rape, attempted rape, beating with death as a consequence, destruction of moveable property, torture and incitement to soldiers to break the law.

Filing this lawsuit was an act of extraordinary courage given the likelihood of reprisals. In the weeks following 2 May, the community's lawyer had received anonymous phone calls advising him to drop the case.

*"Regarding these facts, the law firm of Lutumba wa Lutumba denounced SIFORCO for having engaged in influence peddling and supplied the equipment and means used in conducting retaliatory operations against defenseless villagers, who had blown the whistle on the company's failure to deliver on its promises."*

- lepotentiel.com, 1 September 2011<sup>vii</sup>

[Greenpeace translation]

## October 2011

Early in October, Danzer's management tried to sweet-talk its Yalisika victims into forgiving-and-forgetting, and has pushed for an out of court settlement. There are strong indications that the community members are not in favour of such a resolution, and would prefer to pursue the legal case.

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## 4. Danzer: a long tradition of violence and unacceptable practices

Danzer Group widely promotes its 'values' and 'commitments' for 'responsible management', despite its highly controversial practices in the heart of remote forest areas in the DRC.

*"We are committed to responding to employee and community concerns factually and expeditiously [...] Next, we consider actions to reduce or eliminate factors that drive unacceptable risks – we eliminate barriers to safe behaviour and environmental stewardship. Should a safety or environmental emergency occur, we are prepared for the contingency and the notification of all concerned parties."*

- Danzer Group, Environmental Policy<sup>viii</sup>

[Greenpeace translation]

**Danzer Group's controversial ethical practices and resort to violence in Africa, and in particular in the DRC, have been widely documented by Greenpeace and other organisations in the past years.<sup>ix</sup> Danzer's involvement in buying 'conflict timber' during civil wars in Liberia and in the DRC in the early 2000s has previously been pointed out in several publications.<sup>x</sup>**

During DRC's second civil war, Danzer Group's Equateur Province permits were occupied by Mouvement de Libération du Congo (MLC) rebels led by Jean-Pierre Bemba, currently on trial at the International Criminal Court in the Hague on two counts of crimes against humanity and three counts of war crimes.<sup>5</sup> In 2007, Danzer Group stated that, although Danzer at no time made payments 'directly' to the MLC, it did pay, from July 2002 to December 2003, what it called 'local administrative agencies'.<sup>xi</sup> A leading DRC expert has claimed that some of these agencies 'must have served as sources of revenue for the rebels'.<sup>xii</sup>

**Clearly, when the local authorities' 'security commission' met at Danzer's worksite on 30 April to plan its intervention at Bosanga, Danzer must have known that violence was a highly likely outcome, based on repeated incidents involving both Danzer and its competitors.**

<sup>5</sup> Relating to MLC activities in the Central African Republic in 2002 and 2003.

To give a few examples of Danzer's track record:

- **Danzer logging operations in the DRC are characterised by a long list of social conflicts with forests-communities, escalating in several cases to police violent repression.**

Greenpeace has reported those incidents in previous publications<sup>xiii</sup>, including:

- In February 2010 at Yaewonge, another community in the same region as Bosanga, Danzer Group called in local authorities to deal with villagers blockading its logging trucks<sup>6</sup>. Numerous people were beaten, arrested and jailed in degrading conditions<sup>xiv</sup>. As at Bosanga, military personnel and national police units were involved.
- In an internal company document dated 29 March 2007 Danzer relates an incident at Mba, neighbouring Bosanga, in which villagers temporarily sequestered several employees. It describes the people subsequently beaten and arrested as 'accustomed to exerting pressure'. They had been protesting the company's broken promise to build a schoolhouse.<sup>xv</sup>

- **Danzer was also aware of similar cases involving its competitors' logging companies in the DRC, and was warned by Greenpeace about the need to stop resorting to violence.**

The most extreme logging-related violence prior to Yalisika in the Equateur-province occurred in the village of Mbelo in 2006<sup>xvi</sup>. Residents had been complaining about Danzer's competitor, the Société de Développement Forestier (SODEFOR), today a 100% subsidiary of a Liechtenstein-based company, NST. On 30 March, police and military personnel invaded the village, reportedly committing 38 rapes. The death of one of the 37 villagers arrested appears to have been caused by beatings received while in jail. In January 2010, a SODEFOR-abetted intervention near Oshwe, in Bandundu Province, resulted in one death, numerous beatings, illegal sequestration in a poorly-ventilated company container and detention of villagers in Inongo jail in inhuman conditions.

As well as documenting and exposing this case<sup>xvii</sup>, Greenpeace again warned Danzer's Africa Environment Coordinator Tom van Loon and Danzer Executive Director Ulrich Grauert against resorting to police and military forces for dealing with quarrels with local communities affected by their logging operations, since the violent consequences were well-known from past examples<sup>xviii</sup>. Impunity still prevailing in the logging sector in the DRC, the scandals just carried on, involving both companies: SODEFOR with new arrests and beatings in January 2011 at Bobila, in Equateur Province, and in May 2011 with villagers of Balinda (Bandundu Province); Danzer with the Yalisika case and other events in the same region, referred to in the chronology above.

- **There have been repeated complaints from civil society from the Bumba region about Danzer's behaviour and their resort to repression means in dealing with communities fed up with Danzer's broken promises.**

In 2006, 29 villagers and human rights activists sent a petition to the government complaining of abusive logging by Danzer Group<sup>xix</sup>. The petition had been signed at a seminar in Bumba, organised by La Voix des Sans Voix (VSV), one of Congo's most respected human rights groups. Reacting to this, Danzer filed a libel suit against the petitioners in March 2007. After three years of harassment caused to the latter, court proceedings against the petitioners seem to finally have been dropped in 2010.

In November 2009, Greenpeace and civil society in Bumba organised a forum gathering approximately 50 representatives of local communities affected by logging operations, and invited Danzer. Tom van Loon, Danzer Africa Environment Coordinator, participated in the forum. During the forum Van Loon had to listen to many communities pointing out their issues with the logging companies, and particularly with Danzer: lack of implementation of social agreements, recourse to violence through police forces used as reprisal when conflicts arose, lack of basic information at community level, water points and other basic resources destroyed by logging. The Danzer manager then said that they would make efforts to honour their promises to the communities affected by the group's logging operations and to establish means of mediation to resolve disputes. This is another promise that the company failed to live up to.

*"SIFORCO has been using its tremendous financial resources to muzzle and quell civil society actions. When VSV supported the vulnerable human rights defenders threatened by this almighty multinational company, SIFORCO was infuriated and aggressively campaigned on the internet and through other means, striving to denigrate and demonise the organisation."*

- Press release, La voix des sans voix, 7 June 2009  
[Greenpeace translation]

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<sup>6</sup> Secteur de Loeka.

## 5. Who else is involved?

### The donor community

After the World Bank-sponsored forest sector reform programme kicked off in 2002, several developed countries followed suit and raised their own bilateral support to the DRC's forest sector. The World Bank's choice to promote industrial logging as the means for economic growth determined the path for others to follow, even though the Bank's own post conflict unit advises against relying heavily on export-based commodities in countries emerging from conflict.

While after nine years the reform of the DRC's notoriously corrupt forest sector is little more than a smokescreen for business as usual, the donor community still largely fails to admit how sponsoring business-as-usual will not bring prosperity to the villagers whose homes and livelihoods are being disrupted by the industrial logging sector.

Some donor countries continue to support this unsustainable development model, without giving proper consideration to forests communities' rights and livelihood, protection of the world's most valuable remaining intact forest, and essential preconditions for industrial logging to be viable.

### Germany – dangerously involved, undermining its own efforts

Germany is one of the most active donors in the DRC's forest sector. It has engaged in an extensive effort to improve conservation of natural parks, as well as forest governance and capacity-building in general. Germany's BMZ (Ministry for Economic Cooperation and Development) also contributes to programmes aimed at preparing countries to participate in future Reduction of Emissions through Deforestation and Degradation of forests (REDD), through the World Bank's FCPF (Forest Carbon Partnership Facility). It is the programme's most important donor globally<sup>xx</sup>. BMZ also formally recognises the importance of large unfragmented forests<sup>xxi</sup> in its existing policy; it fails from delivering this in practice.

All this support threatens to be undermined however, and won't do much more than provide a smokescreen for those plundering the DRC's natural resources, expanding industrial logging into intact forest areas with little respect for communities' rights, as the Yalisika case shows. Germany's development bank KfW is running a project intended to help logging companies obtain FSC certifications<sup>xxii</sup>. German money for this project - channelled through the DRC Environment Ministry - also helps the companies to fulfil their legal obligation of providing management plans for the forest titles they want to develop. The project's current pilot phase supports the two biggest timber companies in the DRC, SODEFOR, a subsidiary of the Liechtenstein based NST-Group, and SIFORCO (Danzer Group).

In 2010, Greenpeace informed KfW that SODEFOR was a company characterised by a lack of transparency and involved in social conflicts with local communities<sup>xxiii</sup>. Despite these warnings based on our findings, KfW has not taken any action to disassociate from companies like SODEFOR or SIFORCO that are involved in human rights abuses.

KfW's financial support to Danzer was said to have been put on hold after the BMZ and the KfW were informed about the incidents. The government says it is still waiting for the results of a special review, which it stated it would share with Greenpeace. However, this was more than 6 months ago and at the time of the publishing of this briefing there has not been any information as to when these results will be made available. In the meantime, no statement has been made as to whether the BMZ will continue to support companies, such as Danzer, that have a dubious track record including social conflict and violence in the DRC.

Germany has an urgent and important choice to make. Either it continues towards a positive agenda of enhancing conservation efforts, good governance and capacity building by focusing more on forest protection in a way that takes into account communities' rights and sustainable growth models, or it continues to undermine its own efforts by continuing to be a forerunner in greenwashing a logging industry that is leaving people and forests protection out.

### France – Logging as usual

Like Germany, France has recently opted to offer some support to conservation and governance efforts, capacity-building projects and REDD readiness initiatives in the DRC. Unfortunately, AFD (Agence Française de Développement), honouring France's longstanding backing of so-called 'Sustainable Forests Management (SFM)', remains above all heavily involved in financing projects promoting business-as-usual, under the guise of 'sustainable development'.

France's AFD is thus contemplating providing a massive multi-million euro low-interest loan to Danzer in DRC and RoC, thereby channelling a significant amount of French taxpayer money directly to a highly controversial logging company involved in human right violations and the fragmentation of huge areas of rainforest. In the meantime AFD is already implementing a €5m grant (to be followed up by a second tranche of similar amount) in order to provide technical assistance for the design and implementation of management plans<sup>xxiv</sup>, through French consultancy firm FRM (Forest Resources Management). At regional level (five countries in the Congo Basin, including DRC), AFD is also the largest contributor (a €1.5m grant) of a multi-donor project supporting certification and promoting certified timber<sup>xxv</sup>.

By focusing most of its development aid in supporting the 'SFM' model and industrial loggers like Danzer, France is doing more to help these companies stay economically viable than to improve living conditions for the millions of Congolese people who depend on the forests for their daily survival.

### **The Netherlands – will it come to its senses?**

Although the Dutch government has had limited involvement in the DRC's forest sector in the past, the Dutch STI (Sustainable Trade Initiative) has the potential to threaten to turn the Netherlands into a high risk country for perpetuating business as usual logging scenarios in Congo's forests.

STI's Tropical Timber programme has a strong focus on forest exploitation and believes that promoting certification and increasing both demand for certified timber as well as market access for suppliers of so-called sustainable tropical timber will lead to sustainable economic growth<sup>xxvi</sup>.

The programme has some valuable components, like capacity-building in the Congo Basin region through a NGO buddy-system; but its main aim to achieve an additional 4 million hectares of certified forests in the Congo Basin puts the cart before the horse, with a high risk of prioritising quantity to the detriment of quality. The programme is also explicitly looking for a good example of FSC certification in DRC<sup>xxvii</sup>.

STI'S Congo basin programme is in the process of selecting partners. SIFORCO seems to be excluded based on the fact that the company already receives public funds. It remains a question whether the company would have been excluded based on the current social conflict and legal case. It is to be hoped that Yalisika, and similar cases, will make the Netherlands realise that certifying the logging operations of companies like Danzer will do nothing to trigger sustainable growth for the Congolese people under current circumstances. In the process of selecting partners in their programme, the STI should at least exclude companies involved in creating social chaos and human rights violations, as part of critical environmental and social preconditions.

## **6. No more 'green' cover for companies involved in social chaos and plundering Congo's rainforests**

### **Danzer's logging permit adjacent to the Bosanga area, where villagers were raped and beaten, is an FSC-certified area.**

#### **Danzer Group and FSC Certification**

Despite a long track record of managing its forest operations in an irresponsible manner, the Danzer Group has been certified for complying with the Forest Stewardship Council (FSC) standards for producing and/or selling wood products from socially and ecologically responsible and economically viable forest management.

It manages four FSC certificates; two Chain-of-Custody (CoC) certificates<sup>7</sup>, one forest management (FM) and CoC certificate held by its subsidiary IFO based in the Republic of Congo, and Danzer's subsidiary SIFORCO in the DRC was granted FSC certificates for Chain of Custody and Controlled Wood (SGS-CW\_/FM-008062 and SGS-COC-008149) on 22 September 2010 and 22 October 2010, issued by SGS as the certification body.

Danzer's logging permit adjacent to the Bosanga area, where villagers were raped and beaten, is an FSC-certified area.

According to the FSC's policy of association to assure a minimum baseline of responsibility, the FSC will only allow organisations to be affiliated with its system and labelled products if their forest management in all of their operations meet six social and ecological fundamental criteria<sup>xxviii</sup>. Given the seriousness of the violent events of 2 May 2011 and Danzer's poor track record in the DRC, Greenpeace is calling on the FSC to immediately disassociate from Danzer and revoke all its current FSC certificates. Greenpeace is also calling on the FSC to suspend the certifying body, SGS, which issued Danzer's certificate in the DRC, from operating in the Congo Basin as it is clear that SGS did not assess Danzer's operation adequately against FSC standards.

The issuance of SIFORCO's CoC and CW certificate is one more example of FSC permitting the certification of a controversial logging operation in an extremely challenging or 'high risk' region like the Congo Basin – which is placing the FSC's credibility seriously at risk.

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<sup>7</sup> The Danzer group has one group CoC certificate covering 11 primary processing member sites that either process logs and/or veneers products in the US, Canada and across Europe and it has one distributor/wholesaler CoC company based in the UK. <http://info.fsc.org/>



Greenpeace has also repeatedly warned the FSC and its stakeholders about such risks associated with operating in countries with known human rights abuses<sup>xxix</sup>, and has already filed an official complaint to the FSC about SODEFOR for similar issues regarding community rights on 30 April 2011, based on its policy of association.

To ensure that FSC's reputation in the international marketplace is maintained it is clear that the FSC must not only move swiftly to disassociate from Danzer, but also provide credible commitment that no further certification in the Congo Basin is supported until the necessary preconditions for enabling credible certification are met.

The FSC must leverage its role as a rule-setter and not leave this responsibility to the companies and the certifying bodies. When a company is operating in a country, which has known issues with governance and reported human rights abuses, it is under an added duty of care and should ensure its operations do not exacerbate or perpetuate these problems.

Similarly, the World Wildlife Fund (WWF)'s Global Forest and Trade Network (GFTN), a partner of Danzer that is facilitating the company toward certified forest management and wood products, should suspend Danzer's membership from the GFTN.<sup>xxx</sup>

## 7. Recommendations and Conclusions

In recent years, tragedies involving logging companies, including arbitrary arrests, rapes and beatings such as occurred in May 2011 in Yalisika, have been reported all too often. The Yalisika victims' criminal complaint is an unprecedented moment in the fight against corporate impunity in the DRC. As one Danzer employee put it, upon hearing of the court summons delivered to the company in August, *"I thought these white people were untouchable."*

In the DRC context, it requires a lot of courage from the Yalisika community and the lawyers who represent them to taking this case forward. Greenpeace salutes their courage and supports their legal action. For impunity to no longer be accepted in logging practices, it is of utmost importance in this case that the extent of SIFORCO's responsibility, and that of its parent company, Danzer Group, is clearly established.

**Greenpeace considers the recent pressure by Danzer on the community to agree to an out-of-court settlement as an attempt by the company to avoid criminal charges, as well as any further debate about its own responsibility for the 2 May atrocities.**

Greenpeace hopes that justice will be allowed to be done freely. To this end, Greenpeace recommends that an independent organisation monitors the legal case and reports regularly to the government, the international donor community and to local, national and international civil society groups.

### **Holding donor countries accountable**

Germany and France are using public money to support irresponsible logging companies that create social conflict and environmental havoc. These companies violate local communities' rights and have gotten away with these types of practices for too long; the funding must stop now. The Netherlands could potentially move in the same direction. All three countries believe that once the companies are FSC-certified these social problems will disappear. This assumption is wrong, as these social conflicts will continue – FSC-certified or not - unless the root causes of the problem are addressed. Absence of land-use planning, lack of land rights for forest communities, lack of participation of indigenous peoples and local communities in serious discussion about how forested lands should be managed and what role communities can play or how benefits are shared lead to these conflicts. In the meantime logging companies continue to expand their operations into the forests.

By continuing to ignore those issues, donors risk locking these communities in a so-called development model that destroys the natural environment, on which they heavily depend, without contributing to their economic development.

**If these three countries and other donors are committed to protecting the forests in the DRC, to poverty reduction and to sustainable economic growth, they should act now and bring an end to *de facto* zoning in favour of industrial logging.** They should prioritise and promote participatory land use planning, allowing the most valuable forests to be protected (in particular high conservation value areas, including the remaining large intact forests), the Congolese people's rights to be respected and local communities enabled to manage their own forests. Donor countries should set aside their own business and trade agendas and design their programmes and projects that directly contribute to achieving sustainable green growth for the Congolese people.

### **Recommendation to the DRC Government**

The serious social conflict we have described in this briefing is not isolated, it is just one recent example of what is happening far too often in the DRC, by companies deemed as the 'responsible ones'. Therefore Greenpeace strongly urges the DRC government to maintain the moratorium on the allocation of any new industrial logging permits. Greenpeace considers that, among other preconditions for the lifting of the 2002 moratorium, a participatory land-use plan that promotes non-destructive community use of forests, and puts the interests of local communities over the interests of transnational companies, must first be developed and that transparency, control and accountability in the forest sector must be radically improved.

### **Recommendation to the Danzer Group**

The Danzer group must take full responsibility for its role and the role of the involved employees in the Yalisika case. At the very minimum, Danzer should not obstruct the legal case by any means and respect the community's right to take legal action.

In addition, Danzer and all other logging companies in the DRC must stop marketing their activities as 'sustainable forest management'. They should start by improving transparency through disclosing public information on their operations (concession boundaries, cutting permits, taxes paid, etc), and respect forest-dependent peoples' rights and livelihoods. The wisest, if any, should make commitments on environmental and clear social safeguards and support initiatives such as participatory land use and conservation planning, which, for once, would truly involve consulting the forests people.

**“Reliable values have a long tradition within the Danzer Group. Integrity, reliability, responsibility and trust are as much a part of our mission statement as our willingness to engage in dialogue, our ability to learn or our response to criticism” xxxi**

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- <sup>xxviii</sup> Unacceptable Activities  
FSC will only allow its association with organisations that are not directly or indirectly involved in the following unacceptable activities:
- Illegal logging or the trade in illegal wood or forest products
  - Violation of traditional and human rights in forestry operations
  - Destruction of high conservation values in forestry operations
  - Significant conversion of forests to plantations or non-forest use
  - Introduction of genetically modified organisms in forestry operations
- Violation of any of the ILO Core Conventions (As defined in the ILO Declaration on Fundamental Principles and Rights at Work).  
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