BRAZZAVILLE FORUM ON THE FUTURE OF CONGO BASIN FORESTS

A model for the creation of shared value

EU FAO FLEGT Programme

BRAZZAVILLE FORUM ON THE FUTURE OF CONGO BASIN FORESTS

A model for the creation of shared value

21-22 October 2013, *Brazzaville, Republic of the Congo* – An overview

by Emmanuel GROUTEL, PhD

November 2013

EU FAO FLEGT Programme Working paper 2

2013, Rome

CONTENTS

TABLE OF FIGURES

ACKNOWLEDGEMENTS

This overview is also the fruit of collective labour. All the ATIBT team should be thanked for its involvement – Ralph Ridder, Bérénice Castadot, Marine Leblanc, Catherine Baudouin and Patrick Martin. Marc Vandenhaute of the EU FAO FLEGT Programme, Olman Serrano of FAO, and Tullia Baldassarri also made a major contribution. Appreciation must be expressed to all these people.

ACRONYMS

AFD	French Development Agency
AfDB	African Development Bank
AHEC	American Hardwood Export Council
ATIBT	International Technical Tropical Timber Association
BDEAC	Development Bank of Central African States
CBFF	Congo Basin Forest Fund
CIFOR	Center for International Forestry Research
CIRAD	International Cooperation Centre on Agrarian Research for Development
CLT	cross laminated timber
COMIFAC	Central African Forests Commission
CSR	corporate social responsibility
CSV	creating shared value
CTBA	Technical Centre for Timber and Furnishings
DBCAS	Development Bank of Central African States
DGEF	General Directorate of Forest Economy
ECCAS	Economic Community of Central African States
ECOFORAF	Support Project for Ecocertification of Forest Concessions in Central Africa
EFI	European Forest Institute
ETTF	European Timber Trade Federation
EUTR	EU Timber Regulation
FAO	Food and Agriculture Organization of the United Nations
FFEM	French Global Environment Facility

FLEGT	Forest Law Enforcement, Governance and Trade
FRM	Forest Resources Management, France
FSC	Forest Stewardship Council
GIZ	German Society for International Cooperation
ITTO	International Tropical Timber Organization
LVL	laminated veneer lumber
MEFDD	Ministry of Forest Economy and Sustainable Development, Republic of the Congo
MTC	Malaysian Timber Council
NTS	national traceability system
OLB	Origin and Legality of Timber (Certification)
PAFC	Pan-African Forest Certification scheme
PEFC	Programme for the Endorsement of Forest Certification
PPEFC	Promotion of Certified Forest Exploitation (Project)
PRONAR	National Afforestation and Reforestation Programme, Republic of the Congo
R&D	research and development
RCA	request for corrective action
RST	reconstituted solid timber
SCS	scientific certification system
SFI	Sustainable Forestry Initiative
SFM	sustainable forest management
SME/SMI	small and medium-sized enterprises/industries
SNR	National Reforestation Service, Republic of the Congo
SODEFOR	Forest Development Corporation
SVL	System for the Verification of Legality
TLTV	timber legality and traceability verification
TTF	Timber Trade Federation
VLC	verification of legal compliance
VLO	verification of legal origin
VPA	Voluntary Partnership Agreement

1 INTRODUCTION

The Brazzaville Forum, held on 21 and 22 October 2013, brought more than 400 participants together in the Congolese capital. At the opening ceremony,[1] the leaders of the subregion were represented by the following figures:

- the Mayor of Brazzaville, Hugues Ngouélondélé
- the Director of AFD in the Congo, Patrick Dal Bello
- the EU Ambassador, His Excellency Marcel van Opstal
- the Director General of ATIBT, Ralph Ridder
- the Executive Secretary of COMIFAC, Raymond Mbitikon
- the Secretary-General of ECCAS, His Excellency Ahmad Allam-Mi
- the FAO Subregional Representative, Dan Rugabira
- the Executive Director of ITTO, Emmanuel Ze Meka
- the President of COMIFAC, Mahamat Iss Halikimi, Minister of the Environment and Fisheries of Chad
- the Minister of Forest Economy and Sustainable Development of the Congo, His Excellency Henri Djombo

The forum was organized by the Food and Agriculture Organization of the United Nations (FAO), the FAO FLEGT Programme of the European Union, the German Society for International Cooperation (GIZ), the Economic Community of Central African States (ECCAS), the International Technical Tropical Timber Association (ATIBT), the International Tropical Timber Organization (ITTO) and the Central African Forests Commission (COMIFAC), under the auspices of the Ministry of Forest Economy and Sustainable Development of the Republic of the Congo. The event was also cofinanced by the French Development Agency (AFD) and the European Forest Institute (EFI).

In an unprecedented move, the main world leaders of the tropical timber industry joined together with civil society organizations and government representatives in order to come up with practical solutions to the challenges facing the wood industry sector.

With the aim of enabling all the players, stakeholders and donors of the sector to really grasp the work and achievements of this forum, the present document brings together what was done in advance of the event (Concept Note and interviews), summarizes the papers presented, publishes the full-length **Brazzaville Declaration** and lastly lists a number of concrete lines of action proposed.

[1] Four ministers of the Republic of the Congo attended the opening ceremony: Jean Jacques Bouya, Minister of Major Projects and Spatial Planning; Adélaide Moungani, Minister of Small and Medium-sized Enterprises and Cottage Industries; Rigobert Maboundou, Minister of Agriculture and Livestock; and Henri Djombo, Minister of Forest Economy and Sustainable Development. Other countries of the subregion – Cameroon, the Central African Republic, Chad, the Democratic Republic of the Congo, Equatorial Guinea and Gabon – were all represented by experts, and the Central African Republic, Chad and Equatorial Guinea more particularly by their ministers of forests and water.

2 BEFORE THE FORUM

In order to provide a framework for the forum, a concept note was drawn up for use as a basis. It is reproduced here by way of introduction:

2.1 CONCEPT NOTE[2]

Closed tropical rainforests are central elements in a number of issues affecting many stakeholders, ranging from local inhabitants and governments to economic operators, western consumers and non-governmental organizations. With an area of 300 million hectares (1.2 million square miles), Africa's closed tropical rainforest is the planet's second lung after Amazonia. Its role in carbon storage is thus essential in a situation of climate warming. This forest also has a very important role for all the Bantu and Pygmy people who depend on it for most of their resources. Lastly, it is a storehouse of biodiversity with an especially rich and varied plant and animal wildlife.

Industrial utilization of the Congo Basin forest is the third – in some countries the second – largest contributor to the gross domestic product of the countries of the region. Moreover, the forest sector provides 100 000 direct jobs and a million indirect jobs. However, despite progress on a number of fronts, the industrial wood sector could still be developed further. Since 2010, a series of discussions has been held in the Congo Basin to enable stakeholders to discuss and formulate strategies to develop the sector. These discussions led to a white paper entitled **Towards a development strategy for the wood processing industry in the Congo Basin**,[3] which identifies the issues and challenges facing the forest value chain, but also provides a frame of reference for the involvement of all stakeholders in developing a **sustainable forest industry** in the Congo Basin.

These activities undertaken to develop the wood value chain fall within strategic area 5 of the Convergence Plan of the Central African Forests Commission (COMIFAC), **Sustainable valorization of forest resources**, which particularly urges sustainable and joint management of the forest resources of Central Africa by the countries of the subregion.

The objective is to boost dialogue among the stakeholders in the wood value chain in the Congo Basin with a view to pursuing efforts to develop this sector and encouraging more advanced processing of wood at the local level.

[2] The Concept Note can be found on the forum website: http://www.fb2013.org/concept-en/4578874804
[3] The White Paper can be found in the FAO documents archive at: http://www.fao.org/forestry/39002-010ec7dd5c210472033dbaed89c73abb9.pdf

The forum will address the following themes:[4]

1) advanced wood processing;
2) market outlook;
3) the FLEGT Action Plan and forest certification systems;
4) forest plantations.

With this forum, the main lines of a consensus on actions to be undertaken to support sustainable development of the wood value chain will be drawn up, and this consensus will be enshrined in the **Brazzaville Declaration** [which is given in full at the end of the present report].

[4] Further information on each topic in the forum brochure can be found on the website: http://www.fb2013.org/press/4580041343 Please see also: http://issuu.com/atibt/docs/issuu-en-completo

3 INTERVIEWS[5]

A number of interviews were held on the eve of the International Brazzaville Forum. They are summarized here, with the aim of bringing out the concrete actions or indeed solutions recommended by political leaders, institutional heads and practitioners, and also the experts who were consulted.

This work seeks to be as objective and open as possible, even if choices had to be made[6] and the editor of the present paper was himself the subject of one interview.

The people consulted were as follows:

Name	Position or responsibilities	Initials
Henri Djombo	Minister of Forest Economy and Sustainable Development, Republic of the Congo	HD
Robert Hunink	President and Global Head, Wood Products, Olam International	RH
Raymond Mbitikon	Executive Secretary, COMIFAC	RM
Eva Muller	Director, Forest Economic Policy and Products Division, FAO	EM
Ralph Ridder	Director General, ATIBT	RR
Mamadou Sangaré	Director General, SODEFOR	MS
Robert Simpson	Manager, EU FAO FLEGT Programme	RS
Emmanuel Ze Meka	Executive Director, ITTO	EZM
Emmanuel Groutel	Wood and logistics expert, FAO consultant	EG

[5] The interviews can be found on the forum website: http://www.fb2013.org/press/4580041343

[6] The quotations are placed in inverted commas and the author's initials are indicated at the end. A link is also provided for each of the interviews.

3.1 ON THE GENERAL SITUATION

AFRICA

"The countries of sub-Saharan Africa have a common feature: their economy depends almost entirely on **agriculture**, which is **shifting** in type, meaning that it is carried out to the detriment of forests. In other words, since the inhabitants do not use **fertilizer**, they look for forested land, where the soil is considered rich for their crops.

"Forests are therefore increasingly making way for **export crops such as cocoa, coffee, rubber, palm oil and cotton**, which are seen as the only resource providers. And this follows the destruction of all woody vegetation. These crops are spreading even into protected areas, as forests disappear from the countryside.

"Moreover, the **political fragility** of these countries, with its corollary of military crisis, and the lack of **population control** hamper the establishment of a strategy to protect and manage natural forests. Forest resources that are not destroyed by agriculture are usually plundered during the various **political and military crises**, resulting in the impoverishment of natural wood resources in the countryside and even in reserved forests, and eventually affecting the supply of wood to sawmills."(MS)

CONGO BASIN

"Since the 2000s, the countries of the Congo Basin have launched a thorough-going structural reform of forest management. In ten years, we have moved from forest and water administrations to forest economy administrations, which says it all. Today our administrations are responsible for a major economic value chain.

"In the 1960s and 1970s, wood exports consisted solely of logs: up to 90 percent of the wood exported was in the form of roundwood to supply processing facilities set up abroad. The material yield was less than 20 percent, so that the wood industry produced 80 percent of unoptimized wood waste.

"For a long time, this fairly unproductive and outward-focused trade contributed to the flight of jobs and added value.

"Starting in the 1980s and 1990s, the governments of Congo Basin countries sought to focus on primary and secondary processing, with sawmills and peeling, veneering and plywood factories.

"Especially in the Congo, appropriate forest legislation has supported the efforts of enterprises to set up large-scale sawmills with advanced technology.

"Nevertheless, we recognize that the industrial fabric for wood processing is still in its infancy and that secondary, tertiary and quaternary processing is yet to be developed." (HD)

"The international community recognizes the **immense value of tropical forest resources in the Congo Basin**. Over the past years, a number of instruments have been introduced in order to make the way forest industries operate in tropical forests more sustainable. It is crucial that the wood industry continue improving its *modus operandi* to foster sustainable development. In this way, the population living in and outside tropical forests will have better livelihood opportunities. **A well maintained forest becomes an important source of employment**. In fact, tropical forests are already the second largest source of employment in Gabon and the Central African Republic. A well managed forest also contributes to social development, giving the population the means to an **education, food and health**." (EM)

"The sustainable management of tropical forests is progressing steadily in the region. According to the ITTO Report on the Sustainable Management of Tropical Forests (SFM Tropics) of 2011, the extent of forests under sustainable management regime in Africa almost doubled from 2005 to 2011, whereas forest area under management plans almost quadrupled in the same period, indicating the potential for further increases in the extent of forests sustainably managed. The Central African Forests Commission (COMIFAC) has played an important role in promoting and coordinating efforts to promote SFM, in particular through its Convergence Plan. The importance of the international community, in particular through the Congo Basin Forest Partnership (CBFP), is critical to maintaining and expanding these results. International organizations like ITTO and other stakeholders, including NGOs, are also contributing to these efforts." (EZM)

"**The advanced valorization and rational exploitation of forest resources should contribute substantially to** poverty reduction and the economic development **of Central African countries, which possess** the second largest tropical forest in the world and one that contains a vast, rich biological diversity**. This wealth is not yet even close to bringing countries the services and benefits that would satisfy the many expectations of their inhabitants, especially those who depend on natural resources. The various causes of this situation include** the inadequacies of human, financial and material capacities **for carrying out the priority actions in the ten strategic axes of the Convergence Plan**." (RM)

3.2 MARKETS

"Apart from the **economic crisis** which has affected some major importers of tropical wood products, particularly in Europe, the problems affecting trade in tropical wood products are related to **concerns over the environment, legality and benefit sharing**. The international tropical timber trade and investment in forestry activities are impeded by a perceived lack of progress in resolving these concerns. Implementing SFM on a wide scale is the best way to reverse this scenario, since it will help address ecological, social and economic concerns. In practical terms what is needed is credible certification of forests harvested without undue damage to the environment, a credible legality assurance system, and transparent procedures to ensure benefit sharing among stakeholders. A good certification scheme may already take into account some of these concerns. There is also a need for advocacy to stress that **wood is an environmentally friendly product** and that SFM is the way to resolve the concerns about tropical forests, including **biodiversity conservation, climate change mitigation and adaptation, poverty alleviation, legality**, etc." (EZM)

"With regard to the valorization of wood materials: in order to create jobs and improve people's living conditions, some countries have **either stopped exporting logs** or revised their legislation on the tax scale for the export of processed products; during the time of the great global financial crisis, many countries also took other measures to support forest enterprises that were having difficulties and keep them in operation." (RM)

In Africa

"Sub-Saharan Africa, especially the Congo Basin, is at a major and undeniably critical turning point in its history, with **population growth, spreading megalopolises, increasing GDP, an emerging middle class** etc. This means, or will mean, changes in terms of the consumption – or, more precisely, the domestic or interregional consumption – of forest products." (EG)

In Europe and the United States

"**Over the past ten years, the tropical timber market in Europe has been shrinking, similar to the United States**. This is mainly due to the decrease in consumer trust towards the responsible production of tropical timber." (RR)

"Legal tropical timber products have become unequivocal consumer demands the world over. The FLEGT process is largely about meeting this demand by improving the supply of legal timber. The FLEGT process also represents a significant breakthrough in the global battle to protect diminishing forest resources in that it marks an unprecedented collaboration between producing and consuming countries – in this case the European Union – to tackle the illegal timber trade. But it is not just the European Union (EU) taking steps to this end through the FLEGT process and its corresponding EU Timber Regulation (EUTR). A number of countries around the world, including the United States, Australia and Japan, for example, are all clamping down on the illegal timber trade through their Lacey Act Amendment, Illegal Logging Prohibition Bill and Green Purchasing Law." (RS)

"Global market demand for more socially and environmentally benign products shows no sign of abating. What's more, recent financial crises coupled with growing alarm over climatic change have placed increased emphasis on building a green economy." (RS)

"A new generation of actors is now in charge of running European enterprises. These people no longer want to be concerned with logging and cutting up wood. They don't want to be bothered with freight, customs, yields, delays. They want solutions, not problems. They must (and/or prefer to) concentrate on their clients. Another particularly important factor is the major tendency among European operators to turn to species from the Northern hemisphere – temperate woods such as pine, oak and beech, or plantation species such as eucalyptus and poplar. In a way, it is a relocalization movement, focusing more on what is local, what is sustainable." (EG)

In Asia

"On the one hand we are seeing a demand for legal and sophisticated products in Europe, while, on the other, Asia is more interested in raw materials. After China, India and even Vietnam, other countries are pushing at Africa's door in search of more basic products. Bangladesh, Pakistan, the Philippines and Indonesia are now appearing as purchasers. We are moving rapidly away from the traditional one-way South-North flow and entering a more complex and more multi-directional market." (EG)

3.3 Possible ways forward and solutions

"Between 2010 and 2011, FAO, ITTO and ATIBT organized a series of workshops in four countries of the Congo Basin. Held in collaboration with **the host governments**, the workshops outlined what is needed to make the wood industry more sustainable: **a strong political will, good governance, certification, responsible forest management**." (EM)

"The main areas needing continuous and strengthened support include **land-use planning, the development and implementation of management plans, the promotion of good governance throughout the entire forestry chain, the identification and implementation of models for equitable benefit sharing, and the promotion of value added timber processing**." (EZM)

"Even though there is still little concrete data available, the White Paper can be used as a sort of **baseline** for reviewing progress in addressing the challenges facing the sector." (EM)

"For regional institutions such as COMIFAC, the **White Paper**[7] **might help advance the implementation of previous commitments**, including the Convergence Plan." (EM)

3.4 Improvement in material yields

"In the Congo, the wood processing rate, which was 30 percent in 1990, rose to 50 percent in 2009 and about 60 percent in 2012, with peaks of 85 to 90 percent for large-scale industrial companies. **In the short term, the export of logs will be banned and/or discouraged by appropriate taxation**. We are also encouraging large-scale companies to start taking this fact on board and redirect their investments toward this noble objective. We are encouraging enterprises to install dryers and other moulding and salvaging equipment as well as joinery factories. **Material yields must be increased in order to improve productivity and reduce production costs.** Only then will our products be competitive on African and international markets." (HD)

"I see the future as lying in **more advanced and diversified wood processing**. Material yields should exceed 80 percent and almost all waste should be recovered. The success of the economic resurgence lies in the in situ processing of all our raw materials. In the Congo, peeling and veneering units are

[7] The White Paper can be found in the FAO documents archive at: http://www.fao.org/forestry/39002-010ec7dd5c210472033dbaed89c73abb9.pdf

already giving 55 percent material yields, while slicing units are giving 70 percent. Whereas we have devoted our energies in the past 20 years to forest management and certification, the next 20 years in the Congo will be devoted to more advanced and diversified wood processing, which will play an important role in the economic component of sustainable forest management." (HD)

- ► IN SITU PROCESSING
- ► IMPROVEMENT IN YIELDS
- ► RECOVERY OF BY-PRODUCTS

3.5 TECHNOLOGY TRANSFER AND INDUSTRIAL PARTNERSHIPS

"The future of the wood industry lies in the expansion and generalization of large-scale joinery facilities, the development of factories to process waste and produce particle board, chipboard, blockboard, glulam and medium- and high-density fibreboard, as well as cellulose and paper. In the Congo, this is how we see the future direction of the industrial wood value chain." (HD)

"The **transfer of technology** would allow us to have **qualified staff** capable of managing **sophisticated wood-working equipment**. Enterprises must invest in these machines in order to **improve their yield** and supply markets with **quality products**." (RH)

- ► TECHNOLOGY TRANSFER
- ► FURTHER TRAINING OF STAFF

3.6 PROMOTION OF SECONDARY SPECIES

"The supply of products will be **diversified**, not only in terms of high-quality species, with which markets are familiar, but also and especially in terms of **less highly valued species**, so that exports no longer focus solely on finished and semi-finished products of international quality such as parquet, interior decoration, doors and windows, furniture, firewood briquettes and wooden eco-homes etc." (HD)

"Enterprises would probably be more inclined to invest in state-of-the-art equipment if the so-called **lesser known species** could also be successfully placed in the market. It is unrealistic to believe that our companies can continue harvesting only primary species for years and years to come, just because markets are used to these species. It's simply not sustainable. The answer could be: **partnerships with major woodworking industries in Europe, the US or Asia in order to undertake research on and development of the applications and possibilities for lesser known species** so that industries in the Congo Basin are convinced and encouraged to go that extra mile." (RH)

- ► VALORIZATION OF SECONDARY SPECIES, THROUGH PARTNERSHIPS
- ► RESEARCH ON AND DEVELOPMENT OF SPECIES TO BE PROMOTED

3.7 PLANTATIONS

"Given this situation, **reforestation with forest species** seems to be the only short- and medium-term way of guaranteeing a supply to processing units." (MS)

"... the question of **financing** ... would seem vital in order to implement reforestation projects. In this regard, local banks, which are usually commercial banks, are not very keen on providing this kind of financial support. It is therefore best to seek finance from **investment banks**.

- Proficiency regarding plant material

  Here, the use of **improved plant material** with strong growth properties is essential.

- Proficiency regarding silviculture:

  It is important to focus on species for which the growing techniques are known. **Research institutes** have carried out studies in this connection, and the results are available.

- Wood processing:

  Reforestation projects should thus include a processing component." (MS)

"The development of these new industries is linked to the development of **rapid-growth forest plantations**. The increasing scarcity of high-quality species in natural forests on the one hand, combined with the increasing demand for wood and derived products in the next 20 years on the other, means that good advance planning is needed on our part.

We must therefore carry out large-scale reforestation in order to meet these needs.

With the National Reforestation Programme launched by the President of the Republic in 2011, we shall establish one million hectares of forest plantations on broad savannah areas or degraded land." (HD)

► LARGE-SCALE PLANTATIONS OF RAPID-GROWTH SPECIES
► RESEARCH ON AND DEVELOPMENT OF PLANTATION SPECIES
► SPECIFIC FINANCING OF PLANTATIONS BY BANKS OR INVESTMENT FUNDS

3.8 LAND TENURE (FOR PLANTATIONS)

"The first condition is **security of land tenure**, given that the average rotation of a plantation species is about 25 years and that an investment will show a profit only after two or three planting cycles. It is therefore important to examine the land tenure situation and make sure it is suited to the project in order to obtain the best possible return on the financial resources devoted to such operations.

Given this situation, what is needed is a guarantee of land tenure for a period of at least 50 years, by means of a long-term lease system." (MS)

- ► TENURE OF PLANTATION LAND MUST GUARANTEE 50 YEARS' USE OF THE LAND

3.9 TAX INCENTIVES

"Investing in wood processing equipment is extremely expensive. In order to stimulate companies to do so, **fiscal incentives are a must**. A whole suite of fiscal options exists (**for instance, VAT exemptions for local sales**). These incentives might also **discourage informal sector activities** and help create that much-needed level playing field in our industry." (RH)

- ► COMBAT INFORMAL TRADE BY MEANS OF TAX INCENTIVES

3.10 TRAINING

"Unfortunately very few of the countries that are involved in the timber space in Africa have a system of **vocational training centres**. One could think of schools that specialize in teaching **woodworking, saw sharpening, running sawmill machines,** but also centres that train **electro mechanics or those who are to drive our forest harvesting equipment** .... Retired teachers from Europe might be interested in training students attending these schools. In order for these centres to be a success, it is crucial that timber companies facilitate 'stage' opportunities for students; our present workforce could also be sent over for **further training**." (RH)

- ► CREATE TRAINING CENTRES IN AFRICA
- ► PROMOTE ONGOING TRAINING

3.11 IDENTIFICATION OF NEW PRODUCTS

"Markets in Europe, the United States and Asia are already familiar with products produced in Africa. I would like to mention **decking, finger-jointed/laminated material, planed products, flooring components, peeled veneer and plywood**. However, there could be possibilities for sliced veneer and, in the near future, I would not exclude the **sales potential of wooden houses for the inter-African markets**." (RH) http://www.fb2013.org/interview-with-robert-hunink/4579529701

- ► BOOST PROMOTION OF PROCESSED PRODUCTS
- ► CREATE A LABEL FOR WOODEN HOUSES AIMED AT THE INTER-AFRICAN MARKET

3.12 Logistics and facilitation of trade

"In order for us to compete with producers in Asia or Latin America, **a smooth functioning road, rail and port infrastructure is crucial**. In addition, **a much simpler, a more efficient and a faster handling of the various export formalities** would help the industry significantly." (RH)

- ▶ TAKE STOCK OF LOGISTICAL AND ADMINISTRATIVE OBSTACLES

3.13 A new challenge regarding communication

"I am persuaded that **communication efforts** are a critical factor to regain this trust." (RR)

"Genuine cooperation among competing producers, what is called **coopetition** (a healthy competition that includes a degree of cooperation); in other words, the defence of products, a say in standardization commissions, marketing, joint launching of products." (EG)

- ▶ LAUNCH A JOINT PROMOTION EFFORT
- ▶ PURSUE JOINT STANDARDIZATION

3.14 Standardization and controls

"African solutions for Africa .... Standardization and controls before goods leave the country of production." (EG)

- ▶ CREATE A MONITORING LABORATORY (TO CONTROL GLUING, JOINING) IN THE SUBREGION

3.15 Certification

"We need to **get better at marketing our legal and certified tropical timber** in key markets like Europe. To this end, our timber producing members are required to have private **legality audits**." (RR)

"Obviously we also need to continue supporting timber producers who are not ATIBT members yet, **encouraging them to adhere to the management standards** that meet consumer trust." (RR)

- ▶ ADOPT A JOINT MARKETING APPROACH IN ORDER TO PROMOTE CERTIFIED WOOD
- ▶ ENCOURAGE UNCERTIFIED PRODUCERS TO OBTAIN CERTIFICATION

3.16 Creation of Shared Value

"Good forest management can positively influence the livelihood of the local populations while respecting the environment." (RR)

"Emphasis should be put on **community forest enterprises** as a way to alleviate poverty in rural areas, through appropriate community empowerment mechanisms. These efforts will secure the forest resource base, strengthen the forest economy and ensure **equitable benefit sharing**." (EZM)

"Concerning the **valorization of non-wood forest products**: the subregion has seen major advances not only in **significantly improving knowledge about non-wood forest products**, but major efforts have also been achieved with regard to the importance attributed to non-wood forest products in matters of **food security and an improvement in income**. We are already seeing the beginnings of an organization of systems for the gathering and marketing of these products. The other advance in this area is the progress made in the **domestication of certain plant or wildlife species, which should ensure the sustainability of these natural resources**." (RM)

- ENCOURAGE RESEARCH
- INNOVATION WITH REGARD TO THE CREATION OF SHARED VALUE

3.17 International Organizations

"In my view, one of the key partners in achieving this is the International Technical Tropical Timber Association (ATIBT) with its current pragmatic approach that includes all stakeholders – governments, enterprises and civil society." (HD)

"The Congo is also encouraging neighbouring countries to sign and ratify the ATIBT treaty, thereby enabling the association to play its key role in making the wood value chain sustainable, and also contributing to the conservation of forest ecosystems in order to eliminate poverty through the creation of sustainable jobs and develop the hinterland." (HD)

"According to FAO, the trend in net forest loss in the Congo Basin between 2000 and 2010 has decreased considerably compared to the Amazon Basin and Southeast Asia. However, this trend could change in the years to come. With the advent of agribusiness, securing markets for legal and certified wood products has never been more crucial if we want to avoid losing natural tropical forests to agricultural crop plantations. Hence **we welcome any donors** with an interest in tropical forests to join us in shaping a sustainable future for natural tropical forests." (RR)

"Our States have initiated structural reforms in recent years and are seeking support from the international community. The Government of the Congo seeks to develop cooperation and partnership in the following key areas:

- support from donors to boost our control capacity in forest sites, ports and transport routes;
- harmonization of OLB/TLTV/FSC/etc. standards with the FLEGT VPA legality grid, which will then be recognized by the Congo Government as 'FLEGT equivalent' with the

endorsement of the European Union; this recognition will facilitate the export of legal wood to the EU under the EU Timber Regulation, while awaiting the actual delivery of FLEGT permits;

- action to provide the basic conditions needed in order to attract investors in more advanced and diversified processing and in the establishment of large-scale forest plantations;
- boosting of strategies and actions to remove obstacles to regional and inter-African trade;
- help to the State in its task of supporting the marketing of wood products on sensitive markets such as Europe." (HD)

► ATIBT AS A KEY PARTNER

► MOBILIZE THE INTERNATIONAL COMMUNITY AND DONORS

3.18 VISIONS FOR THE FUTURE

"I hope that the forum will attract key stakeholders interested in the promotion of the timber economy in Africa. ITTO will engage in discussions with interested parties to make sure that the results of the forum will indeed trigger awareness and decisive actions to boost the region's timber economy. **We will also make sure that the outcomes of the forum are highlighted at the 49th ITTO session scheduled to be held next month in Libreville**." (EZM)

"... **that the exploitation of forest resources contribute to the development of the countries and above all to the creation of jobs and an improvement in the inhabitants' living conditions**." (RM)

"The fact of **creating jobs** through the use of **local labour** to carry out reforestation and through the **local processing** of the raw material helps to **improve the population's well-being**." (MS)

"**His Excellency Henri Djombo**, Minister of Forest Economy and Sustainable Development of the Republic of the Congo, **is very well aware of these challenges**. He is willing to establish training schools in his country and a first such centre could soon see the light in Kabo." (RH)

"We need **a strong symbol with regard to governance**. It would be splendid if a country in the subregion could act as the spearhead for this defence of the sustainable development of the wood value chain." (EG)

"The **Brazzaville Declaration** will be a ground-breaking document aiming to set the **golden standard** for tropical timber harvesting and production. Together in partnership we can make the Congo Basin the harbinger of the future we want for our **socially responsible and environmentally sustainable wood industry**." (RR)

"**Improving governance** today is also **a promise to preserve vital forest resources so that future generations can continue to reap benefits and opportunities from these resources** for their lives and livelihoods years from now." (RS)

"**Better governance attracts more investment; more investment adds more value to wood resources; added value increases labour demand; more labour demand increases job opportunities allowing local populations to have access to a greener and brighter future**." (EM)

"**The Congo seeks to be the model country, not only in good forestry practices and respect for legality, but also in processing in order to create more added value within the country**. The wish expressed by President Denis Sassou Nguesso is for the whole log production to be processed in situ. We have thus decided to achieve this by moving toward it step by step and in stages, since the political will has to be combined with technical and economic know-how." (HD)

4 THE FORUM

Following on from this preparatory work, the forum was held on 21 and 22 October 2013 in Brazzaville, at the conference centre of the Ministry of Foreign Affairs and Cooperation of the Republic of the Congo.

The **Prince of Wales**, who has been concerned about climate change and the loss of tropical forests for a long time now, also sent a message to the forum about the role played by the Congo Basin in the health and well-being of our planet, reminding the participants that our future depends to a considerable extent on the preservation of tropical forests. The Prince added that it seemed hard to imagine more pressing questions than those described in the White Paper[8] on wood processing presented by FAO, ITTO and ATIBT, and that the concrete measures it recommends should be adopted without further ado.

[8] The White Paper can be found in the FAO documents archive at: http://www.fao.org/forestry/39002-010ec7dd5c210472033dbaed89c73abb9.pdf

5 THE WHITE PAPER – A NEW *MAGNA CARTA*

At the opening of the International Forum on the Sustainable Development of the Wood Industry in the Congo Basin, **Ralph Ridder**, Director General of ATIBT, stated that "For the first time, tropical forests in the Congo Basin are endowed with a White Paper that represents a ***Magna Carta*** compiling the duties of the wood industry and governments towards sustainable forest development."[9]

For COMIFAC, the White Paper could speed up the implementation of prior commitments, especially the Convergence Plan. It could provide a frame of reference for the private sector in reviewing the progress that is still to be made, particularly in terms of "sustainability".

By way of introduction to the forum, the White Paper, entitled **Towards a development strategy for the wood processing industry in the Congo Basin**,[10] was launched by **Alain Marius Ngoya Kessy** of the Ministry of Forest Economy and Sustainable Development, **Martin Tadoum** of COMIFAC and **Ralph Ridder** of ATIBT. This was followed by the contributions of the various speakers.

The four strategic thrusts for developing wood processing in the Congo Basin are as follows:

1) ENSURING A FIRM POLITICAL WILL AND A FAVOURABLE BUSINESS CLIMATE

- Recognition by policy-makers of the importance of the wood value chain in the country's development
- Boosting of dialogue and coordination among the various sectors and state institutions concerned
- Boosting of enterprises' confidence in the country's future and the administrative and justice systems
- Development of a regional, or even continental, strategy
- Facilitation of the expansion of subcontracting activities
- Establishment of a targeted, incentivizing fiscal system

2) GUARANTEEING FACILITATED ACCESS TO INPUTS, INFRASTRUCTURE AND SERVICES

- Guarantee of access to sustainable, legal raw materials
- Facilitation of access to financing
- Boosting of training
- Development of infrastructure and services
- Establishment of storage facilities for wood

[9] From the press release on the forum: http://www.fb2013.org/press-release-brazza/4580265823
[10] The White Paper can be found in the FAO documents archive at: http://www.fao.org/forestry/39002-010ec7dd5c210472033dbaed89c73abb9.pdf

3) BUILDING UP PROFITABLE FORMAL MARKETS

- Further development of inter-African markets
- Development of a supply that matches purchasing power
- Establishment of a state policy promoting wood
- Creation of a positive image for wooden houses
- Taking advantage of the differentiation of markets at the continental level

4) CREATING A STRUCTURED WOOD VALUE CHAIN

- Creation of awareness among the various actors and stakeholders of the complementarity of their activities
- Establishment of norms for the standardization of supply
- Development of standardized, good-quality production
- Creation of clusters
- Encouragement of an interprofessional organization
- Promotion of entrepreneurship

6 THE PRESENTATIONS[11]

This section contains a synthesis of the main thrusts defined in the papers presented by the various contributors. The name of the moderators, the speakers and the panel members for each session are given.

6.1 THE FLEGT ACTION PLAN AND FOREST CERTIFICATIONS

Moderator: Honoré Tabouna, ECCAS

Marc Vandenhaute, EU FAO FLEGT Programme, stressed the need to improve governance through use of the market lever, by:

- greater demand-driven support to the private sector;
- a realistic approach that takes results and progress into account;
- an increasing application of the EUTR by boosting the VPA.

► THE KEY: POLITICAL COMMITMENT
► USE THE MARKET TO PROMOTE LEGALITY

Anand Punja, TTF, specifically discussed the EUTR from the viewpoint of the British market, stressing the serious commitment of British operators in this regard. He also explained the support that the Timber Trade Federation, UK, provides to its members.

► MARKET EXPECTATIONS REGARDING LEGAL TIMBER

Germain Yene, ETTF/ECCAS, stressed the obstacles to bringing the sector into line with the requirements of the SVL, not only in technical terms but also because of:

- shortcomings in the assumption of responsibility and the supply of information (texts/requirements);
- shortcomings in the management of SMEs;
- shortcomings in governance;
- weakness of the financial fabric.

According to Germain Yene, it is a matter of sharing responsibilities among stakeholders.

[11] All the papers can be found on the forum site: http://www.fao.org/forestry/eu-flegt/84468/en/

- ► INCORPORATE THE CARPENTRY AND CABINET-MAKING SUBSECTOR INTO THE VPA PROCESS
- ► INCREASE POSSIBILITIES OF ACCESS TO LEGAL RAW MATERIALS (VIABLE DOMESTIC MARKET ETC.)
- ► PROGRESSIVELY OPEN PUBLIC FURNITURE MARKETS TO LOCAL PRODUCTS BY REQUIRING THE USE OF LEGAL WOOD
- ► SUPPORT THE TRAINING OF TECHNICIANS FOR THE SUBSECTOR

6.2 FOCUS ON FLEGT-LINKED DISCUSSIONS

As recalled earlier in this work, the tasks of the forum also included addressing the FLEGT Action Plan and forest certifications. It would therefore seem a good idea here to focus on the specific aspect of FLEGT, bearing in mind the essential contribution of FLEGT VPAs to the overall picture, particularly with regard to:

- combating illegal extraction and the associated trade;
- improving forest governance and the application of forest regulations;
- the major efforts already made in various Congo Basin countries to combat illegal extraction from their forests.

In this connection, Minister Henri Djombo had at the start called for the development of cooperation and partnership regarding various aspects, particularly the harmonization of OLB/TLTV/FSC/etc. standards with the FLEGT VPA legality grid, so that it can then be recognized by the Congo Government as "FLEGT equivalent", with the approval of the European Union. This recognition would be validated as a way of facilitating the export of legal wood to the EU under the EUTR rules, while awaiting official issuance of FLEGT permits.

Speaking from the viewpoint of markets, Robert Simpson, Manager of the EU FAO FLEGT Programme, stated in the same preparatory interviews that there was a very clear demand from consumers throughout the world for legal tropical wood products and that the FLEGT process was set up precisely to meet this demand by increasing supplies of legal wood.

Bearing in mind the importance of the subject and with a view to sharing the various discussions that also took place during the meeting (side events on the same day[12]) with as many people as possible, we felt it was vital to include in this overview certain issues that were barely, if at all, touched on during this session dedicated to FLEGT and private certifications. To this end, we have gathered together the positions of various stakeholders in the value chain: representatives of the private sector (indicated as PRIV) and of institutions (indicated as INST). This set of questions and answers does not specifically quote the authors, but seeks to cover the whole spectrum of trends and opinions expressed.

[12] Further information on side events may be found on the forum website: http://www.fb2013.org/side-events/4579431618

1) How do the stakeholders present view FLEGT?

INST: First of all, it seems vital to ensure that actions match declarations, especially in the case of negotiated agreements. The task is still vast and some people may feel discouraged. However, it would be a mistake to call these agreements into question again, whether for justified or less justified reasons.

INST: The main thing here is to act and to apply the agreement, even if there may be some doubts as to exactly how the action is to be carried out. For example, the timing may perhaps be modified. In addition, we may note that progressive application might have been appropriate. As the Latin tag says, "Dura lex sed lex": "The law may be hard, but it is the law." We are in fact talking about laws set by the countries themselves. Modification, yes, but a complete reworking, no.

INST: We are clearly dealing with a question of political will, or rather political commitment. It is a matter of governance in the full sense of the term.

INST: Alongside this political message of vital importance, all the stakeholders and their groups must join forces. Disagreements may again arise, and they must be taken on board and settled, rather than sweeping them under the carpet. We have to mobilize all our resources and means, both official and unofficial. That will leave only technical adjustments to be considered.

PRIV: It is clear for all the stakeholders that the implementation of VPAs is encountering many problems, which slow it down. It seems that these stakeholders sometimes feel powerless when facing problems of (il)legality. From our point of view, a good number of these problems can be solved through a dialogue of trust with VPA governments and enterprises.

INST: Some stakeholders – sometimes those who have carried out the negotiations or those holding the keys to good functioning – display scepticism. It is, to say the least, paradoxical that the implementers also in some cases act if not as hindrances to implementation, at least as demotivating forces.

INST: The terms "complexity" or "too complex" are sometimes used. The grids are, however, the outcome of negotiations among the various parties. It should always be remembered that the legality grids are simply reflections of national regulatory frameworks. Lastly, it should be noted that certain private certification bodies are showing that these grids can indeed be applied because they use them for auditing purposes.

INST: The cost aspect is also stressed. Is this really right? Although there is of course a cost, it is not exorbitant – and, more importantly, it should be more than offset by the potential growth in tax receipts. It is also important to stress that certain budgetary supports dedicated to the forest sector for this purpose have not even been brought into play.

INST: Lastly, there is the slowness. It is certainly ridiculous to think that everything could be sorted out in two years, and this is obviously not the case. We are all involved together in a long-term process that uses or can use levers that are combined with market forces. We would make two observations: (i) that none of the past attempts have had the hoped-for effect; and (ii) that private certifications, despite their undoubted qualities, are limited in terms of geographical cover and capacity to eradicate malfunctions at their very root.

PRIV: If private certification standards are adapted to fit the legality verification grids of the VPAs, it should be possible to demonstrate the applicability of these grids and therefore to argue against those complaining of the complexity of the FLEGT process. Even so, some flexibility should be proposed regarding the analysis of answers to the verificators in the VPA grids in order to facilitate implementation of the grids. Such flexibility is in fact already seen in private standards in the shape of requests for corrective actions (RCAs).

INST: We must appeal here for the political will to be reflected in action. For example, legality units should be provided with real operating resources. Some of these bodies simply lack the means of transport essential to carry out their tasks. A strict road map, frank and open exchanges (even in the case of disagreements), a real plan of work with specified steps: in order words, what is needed is a project management with clearly identified and validated stages.

- ► THE DIFFICULTIES ARE REAL AND A DELAY SHOULD BE ANTICIPATED
- ► WE MUST INSIST ON STRICT IMPLEMENTATION OF FLEGT
- ► GRIDS USED IN PRIVATE CONTROLS AND INSPECTIONS CAN PROVIDE A BASIS
- ► A MOBILIZATION OF ALL FORCES IS INDISPENSABLE
- ► STATES THEMSELVES MUST PROVIDE PROPER RESOURCES TO THE STRUCTURES RESPONSIBLE FOR IMPLEMENTING VPAs
- ► STATES MUST ANALYSE THE COMPATABILITY OF PRIVATE CERTIFICATIONS AND VALIDATE THOSE THAT CORRESPOND TO THE REQUIREMENTS OF VPAs

2) What actions are needed, by certification bodies on the one hand and States on the other, for recognition of private certifications?

Certification bodies:

INST: It would be a good thing to speed up recognition of their standards and modes of operation so that their customers (who have already invested a considerable amount) can obtain a true comparative advantage in terms of a reduction in controls. Indeed, it seems odd that these bodies are not moving faster in this direction. Labels should also be promoted with the competent authorities and distributors so that these woods are considered as being very low-risk in the context of the EUTR. There is a major task of communication on this subject to be undertaken within the EU, and this should be a priority.

PRIV: Certification bodies and also the FSC and PEFC must (i) adapt their standards to the principles, criteria and indicators of the VPA legality verification grids and (ii) provide a solution to the issue of requests for corrective actions (RCAs) for the indicators and verifiers found in their standards and in the VPA legality verification grid. This is a rapid task and should have been carried out long ago.

States:

PRIV: Once States have received applications for recognition of private certifications, they have the task of analysing the compatibility of these and declaring which systems are compatible and which are not. Legislation on this subject should be the final objective.

► ADAPT PRIVATE CERTIFICATION STANDARDS TO VPA LEGALITY VERIFICATION GRIDS

3) What contribution can be made by enterprises that have certified traceability systems in the context of the establishment of a national traceability system (NTS)?

PRIV: It is important to build on existing, operational systems to facilitate use of the NTS by the stakeholders. Enterprises that have an audited traceability system can thus act as "foundations" in the construction of this NTS.

INST: A lot! Disjointed approaches carried out by enterprises have been unfruitful and sometimes counterproductive. We have to be more realistic and pragmatic. Enterprises must involve themselves in negotiations, even if this sometimes seems unclear or too daunting. It is possible to build on what already exists and develop bridges with private systems. There is vast experience within the private sector. For this reason, private operators must themselves be convinced of the advantages of sharing their experience and carrying this project through to a successful conclusion together.

► PRIVATE-PUBLIC COLLABORATION IS VITAL: ENTERPRISES THAT HAVE TRACEABILITY SYSTEMS IN PLACE CAN ACT AS MODELS AT THE NATIONAL LEVEL

4) To what extent can private certification systems speed up implementation of VPAs?

INST: These systems simply show that it is possible at the level of one enterprise. FSC enterprises have achieved a remarkable management level. These are models that should be seen as "pilot experiments" on which we should be able to build in order to work on a national scale.

PRIV: If private certification systems are recognized as "compatible" with VPAs, this will lead to the launching of "FLEGT legality certificates". We can then hope that, buttressed by this launching, the stakeholders will pursue their efforts towards an effective, rapid and credible implementation of the VPAs for the whole national forest sector of the countries concerned. In Cameroon, for example, about 70 percent of forested land devoted to forest extraction is or very soon will be covered by private certification systems regarding legality or sustainable management. So if these systems are recognized as "compatible" with the Cameroonian VPA, this will allow FLEGT legality certificates to be issued for 70 percent of the country's forested land. Efforts must therefore be made with the enterprises working on the remaining 30 percent to ensure that their activities respect laws (in line with the legality verification grid). Parallel with this, the development of an NTS based on the audited traceability systems of enterprises should move forward rapidly. And the implementation of the NTS and FLEGT legality certificates will ensure the issuance of FLEGT permits.

5) What concrete actions should be put in place to ensure the rapid implementation of VPAs?

PRIV: Expansion of a dialogue of trust among European and African stakeholders. Ensuring the support of international bodies regarding issues that will have a direct influence on VPAs and their effective implementation: such problems as the establishment of salaries that ensure a proper purchasing power for government representatives, the creation of a business plan concerning the costs linked to implementation of VPAs and the development of guarantees that these costs will be covered over a number of years.

INST: We are all in the same boat. Regardless of the threats hanging over the situation and regardless of doubts, we must speak out frankly among partners (EU and States). If we put our cards on the table and if our will is backed up by concrete joint actions, we shall have the immense satisfaction of carrying a really splendid project through to a successful conclusion.

In sum, it is a complex project and one that could well run into delays, like any large-scale undertaking. Certain conditions need to be assembled in order to launch this ambitious project:

- consistency between the undertakings and actions of States;

- the real, sincere and committed involvement of the States themselves in terms of resources and governance;

- an indispensable active public-private and Africa-Europe collaboration;

- points of divergence, which must be clearly placed on the table;

- the adaptation of private certification systems to the VPA legality verification grids, in order to meet the demands of the VPAs and thus facilitate recognition of these systems by States.

These exchanges have thus launched an appeal and a mobilization.

Guillaume Lescuyer, CIFOR, reflected on technical and political choices with a view to legalizing and promoting individual and small-scale sawing in the Congo Basin. He proposed the following:

- improvement in access to information on prices, products, species and customers:
  - standard communication aids: newspapers, radio stations;
  - innovative communication aids: service by cellphone;
- technical training on felling, standards, regulations, associations etc.;
- access to bank loans in order to reduce the risk of dependency on employers;
- official monitoring of urban markets and subregional exports;
- inclusion in production statistics;

- promotion of a domestic market in legal wood, based initially on the demand from public markets;
- recognition of the customary ownership of trees in rural areas;
- greater supervision of government officers and effective penalties in the case of misappropriation or malpractice;
- trials of the creation of decentralized commissions to issue and supervise small-scale permits:
    - composed of various decentralized government departments (forests and water, subprefecture, municipality, gendarmerie, police etc.);
    - system of bonuses linked to the number of permits applied for per year;
    - independent annual audits (linked to the VPA audit?).

► ACCESS TO PRICES ON THE LOCAL MARKET
► DEMAND OF LEGALITY FOR PUBLIC MARKETS

6.3 ROUND TABLE 1

Moderator: Honoré Tabouna, ECCAS, accompanied by Joachim Kondi, MEFDD; Martial Fouty, Unibois; Richelieu Zue Obame, Brainforest; and Bérénice Castadot, ATIBT.

Sheam Satkuru-Granzella, MTC, spoke about forests and the forest industry in Malaysia, together with the certification system established in that country. She went on to describe the steps taken to meet European requirements in the context of the EUTR. The VPAs should be concluded by the end of 2013.

► OBSERVE WHAT HAS BEEN SET UP IN MALAYSIA

Marine Leblanc, ATIBT, spoke about the positive and negative aspects of setting up double certifications, for example OLB/FSC, PEFC FM/PEFC Coc or ISO/CTBA (product quality). With a view to setting this up in due course, the possible launch of this type of certificate was planned:

- with customers;
- by communication and promotion on the part of States and local NGOs;
- a commitment by the subregion and the partners to defend the initiative;
- the timetable for developing a national system;
- a strategic marketing campaign on promising markets;
- a message adapted to the targeted stakeholders;
- a “Made in Africa” marketing product.

► DEVELOP A LOCAL CERTIFICATION
► DEVELOP A “MADE IN AFRICA” MARKETING APPROACH

6.4 ROUND TABLE 2

Moderator: Hans Schipulle, GIZ, accompanied by Rémi Sournia, PEFC; Kim Carstensen, FSC; Ralph Ridder, ATIBT; Grégoire Nkeoua, MEFDD; Stéphane Sourdin, DUE Brazzaville; and Donatien Nzala, DGEF

6.5 ADVANCED WOOD PROCESSING

Moderator: Alain Marius Ngoya Kessy, MEFDD, accompanied by Olman Serrano, FAO, and Emmanuel Ze Meka, ITTO

Loïc Douaud, Pallisco, devoted his paper to the more advanced processing of wood and the incentivizing policies, strategies and tax systems to be put in place in the Congo Basin, particularly Cameroon. He stressed a lack of harmonization in the Congo Basin in terms of:

- varying forest legislations and regulations (development, management, rotation rate, felling diameters etc.);
- equally varying tax regulations;
- rules of varying degrees of strictness on the export of logs;
- processing rate objectives respected to varying degrees.

He listed the impediments generated by the business climate (in Cameroon):

- role of the State:
  - overly administrative;
  - too much red tape, making everything more complicated;
  - too little support for efforts towards excellence;
  - lack of incentives to investment – high import duties and taxes;
- infrastructure and resources in forest production zones:
  - access to energy <5 percent (quality, quantity and price of electricity);
  - shortcomings of communication routes (cost of transport);
  - malfunctioning of the port of Douala;
  - lack of qualified human resources;
- investments:
  - risk-aversion of banks;
  - lack of credibility of certain national investors.

Implementation of more advanced wood processing is also blocked by the enterprises themselves. The following is therefore suggested:

- development of a taxation system for the wood value chain:
- less upstream (year-end rebate) to reduce the cost price of logs and gain access to the local market;
- incentives for local sales: no VAT or a reduced rate;

- incentives for investments in industrialization of the sector;
- taking the degree of processing into account;
- taking sustainable management into account (encouragement of certified enterprises);
- improvement in productivity:
  - modernization of equipment – development of investment capacities;
  - improvement in material yields – valorization of waste recovery;
- structuring of the artisanal sector and SME/SMIs:
  - facilitation of enterprise creation and management;
  - facilitated access to material and to services (clusters);
  - control by the State;
  - improvement in quality by establishing standards;
  - access to financing;
- ongoing training of human resources:
  - national policy on technical training;
  - development of the role of the wood promotion centre.

- ► HARMONIZATION OF REGULATIONS
- ► CREATION OF CLUSTERS
- ► STANDARDIZATION
- ► PROMOTION OF WOOD
- ► TRAINING
- ► BETTER GOVERNANCE

Isaac Bindzi, Wood Technological Institute, Cameroon, focused his contribution on education and research and development in support of the sustainable development of the wood industry in the Congo Basin forest sector. In this connection, he examined global trends encountered in the wood industry, particularly the change in model with regard to raw materials: the move from solid wood to wood fibre, as the former loses market shares to composite products based on wood fibre. The main expanding markets here are those of construction, biofuel and biomaterials – and this calls for new technologies and radical innovations. Some major innovative products are appearing: RST, LVL, CLT, glulam etc. These are the reasons why human capital must be mobilized by building skills and capacities, making professionals more versatile and more able to learn, and providing more (and better) information.

- ► TECHNICAL SKILLS
- ► TRANSFER OF INNOVATIONS

Simon Rietbergen, World Bank, presented a reflection on building wooden houses. He recalled that the World Bank seeks to put an end to extreme poverty by:

- reducing the percentage of people living on less than US$1.25 per day to 3 percent in 2030;

- promoting shared prosperity: facilitating an increase in the income of the 40 percent lowest-income people in all countries.

The aim is thus to achieve these two objectives in a sustainable manner, while safeguarding the future of the planet and its resources, ensuring social integration and restricting the costs imposed on future generations.

With regard to the wood sector and more specifically the construction of wooden houses, this can be put in place through such concrete actions as the incorporation of support to wood SMEs and artisans into cross-sectoral and sectoral operations:

- the Forest and Economic Diversification Project supports studies and the wood college in Pointe-Noire;
- the Support to Economic Diversification Project in the Congo should help to improve the business climate for wood industries and SMEs;
- the Growth Sectors Project in Cameroon should lead to the creation of a "wood cluster";
- "employment skills" projects are now under examination;
- repayable technical assistance (cf. Gabon – NB this does not include the forest sector).

- ► ⇨ IMPROVE THE IMAGE OF WOOD IN CONSTRUCTION
- ► ⇨ DEVELOP WOODEN HOUSES IN AFRICA
- ► ⇨ BUILD ON PAST EXPERIENCE
- ► ⇨ CREATE A WOOD CLUSTER

6.6 MARKET OUTLOOKS

Moderator: Emmanuel Groutel, wood and logistics expert, accompanied by Prospère Obame Ondo, Director General of Industries, Trade, Wood and Forest Product Enhancement, Gabon; Habibou Mahamat, Director of Promotion and Processing of Forest Products, Cameroon; Blandine Ouoguia, Cameroon Wood Sector Group (GFBC); and Gao Ya, China Timber and Wood Products Distribution Association.

Emmanuel Groutel, wood and logistics expert, devoted his paper to the evolution of African tropical wood markets. These markets vary widely in their expectations in terms of certification and also the sophistication of the products presented:

- those involved in mature markets, who no longer wish to receive products but "wood solutions";
- uncertainties regarding quality and delivery times, which must be eliminated;
- major competition from products from the northern hemisphere (softwoods);
- legal barriers;
- problems of placement of tropical products and a reflection on marketing (with a comparison with the systems set up by the MTC and the AHEC);
- the need to establish cooperation among competitors: the coopetition principle.

Three scenarios[13] were presented, depending on modes of governance and the strategic choices made.

- ► WORK ON A PROPER MARKETING APPROACH ADAPTED TO TROPICAL WOODS
- ► CREATE A LABORATORY FOR GLUED WOODS
- ► COOPETITION PRINCIPLE (COMPETITION + COLLABORATION)
- ► COLLABORATION WITH OTHER FOREST BASINS
- ► AN EXAMPLE OF GOVERNANCE IN AFRICA

Stefan Meinhardt, Precious Woods, shared his approach to the development of a marketing strategy for African tropical forests, presenting the Precious Woods group. He then indicated that it was vital to have a proper marketing strategy in order to:

- boost one's image and reputation;
- increase awareness;
- contribute added value.

Precious Woods sees the key to success as lying in Africa itself, by working with the stakeholders and pursuing a policy that encompasses all the parties.

- ► WORK JOINTLY ON A PROPER MARKETING APPROACH DEDICATED TO TROPICAL WOODS

Alain Karsenty, CIRAD, reflected on the ban on log exports and sought to answer the question: What are the advantages and disadvantages of a measure intended to develop wood processing? He considered the idea of added value, then used calculations to show the relativity of the approach. He also stressed that the elimination of foreign demand for logs could lead to a reduction in local prices and that the low price of unprocessed wood could also send a (mistaken) signal of abundance, or even that there could be a risk of overinvestment in processing, leading to an overcapacity in this sphere (a threat to sustainable management and conservation).

With regard to advantages and disadvantages, he suggested that:

- the creation of jobs could be achieved if cost-effectiveness were recovered in processing:
    - in Gabon, plywood suffers competition from Chinese products and is steadily declining;
    - with the reduction in production, there is certainly no net creation of jobs;
- pull effects – if the local industrial fabric is capable of supplying the equipment and intermediate inputs (e.g. glue for plywood);
- fall in tax receipts (customs duties), partially offset by the social security contributions paid by enterprises on the total wage bill (if the latter increases);

[13] See the working paper put on line by FAO: http://www.fao.org/forestry/39088-0be1b87c49bdd15799252b175f1d07673.pdf

- protection of certain segments of the processing industry through a reduction in the price of the raw material;
- however, the risk of a cost-based protection (providing little incentive for innovation) rather than protection based on industrial performance.

One solution could be limited exports with a market in log export fees. Here it is proposed that a distinction be made between a total export ban and protection (log export quotas):

- the quota option, with an adjustable quota and limited effective protection;
- systems to distribute quotas:
    - distribution (subsidy-based approach);
    - sale at fixed prices (tax-based approach);
    - sale at auction (market-based approach);
- transferability of export rights: market in quotas and flexible rights.

► LIMITED AND CONTROLLED EXPORT OF LOGS AS AN OPTION

6.7 FOREST PLANTATIONS

Moderator: **Boubacar Ben Salah**, SODEFOR, accompanied by **Lambert Imbalo**, SNR; **Paul Koumba Zaou**, DGEF, Gabon; and **Michael Adande**, BDEAC.

Bernard Cassagne, FRM, spoke about the framework conditions needed for the development of forest plantations in Africa, taking up the following points:

1) What is the outlook for tomorrow's productive forests in Africa?
2) Why ligniculture, intensive tree-growing?
3) Role of forest plantations
4) Forest plantations in Africa
5) Role and place of African States in the development of plantations
6) Understanding the financial implications of plantations
7) Example of three countries that are starting to develop plantations

The following reasons were listed in answer to question 2 about the reasons for planting:

- because the productivity of intensive forest plantations in tropical zones is 20 to 100 times greater than that of natural forests;
- because the world's needs for wood are growing and natural forests under sustainable management cannot meet these needs;
- because the economy of gathering in natural forests endangers them and they need protecting by meeting new needs for wood through plantations;
- because forest investment in intensive plantations is more cost-effective and allows the sector to be industrialized and productivity rates to be increased.

Lastly, the reasons that allow us to believe in the real establishment of such plantations are as follows:

- there are large swathes of land that have not been developed and are free of other crops (particularly agricultural crops);
- an improvement is being seen in the business climate, with major long-term investments being made all over the continent;
- there are some examples of successful plantation programmes:
    - the teak wood value chain in Côte d'Ivoire;
    - plantations of cloned *Eucalyptus urograndis* in the Congo;
    - many examples of large-scale plantations in southern Africa and South Africa.

► DYNAMIZATION OF FOREST PLANTATIONS

Rosalie Matondo, PRONAR, Counsellor to the Head of State, Head of the Department of Forest Economy, Sustainable Development, Environment and Quality of Life, Republic of the Congo, spoke about the national afforestation and reforestation strategy as a business opportunity.

With 10 million hectares of savannah, only 2 percent of which is being used by agricultural projects, and over 50 years of experience in reforestation based on forest research, the Congo offers many possibilities in terms of afforestation and reforestation. The following examples were mentioned:

- the introduction of many rapid-growth exotic species such as eucalyptus, pine and acacia;
- the successful development for the first time in the world of the propagation of eucalyptus by leafy cuttings;
- the implementation of an afforestation programme on more than 70 000 hectares.

Here we see a political will expressed in an environmental outlook.

The eligible categories for the programme are as follows:

- large-scale intensive plantations linked to major industrial development projects for the wood value chain in the Congo (pulp, panels, sawnwood etc.);
- agro-industrial plantations (oil palm, rubber, cashew, jatropha, cocoa, coffee etc.);
- carbon compensation or environmental rehabilitation reforestation linked to the development of large-scale infrastructure, mining, petroleum projects etc.;
- small-scale private plantations established around large wood-sector industrial centres or linked to small local processing units;
- State-owned forest plantations linked to local needs (fuelwood, construction timber etc.) or intended to restore certain potentials in terms of lumber;
- agroforest plantations in partnership with a timber industry and a small-farmer community (coffee, cocoa and foodcrops);
- plantations in "economic diversification series" within forest concessions.

Various types of partnership were described: between large-scale operators themselves, between large-scale operators and local stakeholders, between local stakeholders, or in the context of public-private partnerships thanks to ordinary leases, long-term leases, contracts or express permits to occupy granted at cabinet level.

- ► BOOSTING OF PLANTATIONS
- ► INCREASED SECURITY FOR INVESTORS

Mette Vinqvist, Congo Basin Forest Fund (CBFF). The fund was launched in June 2008 in London by the United Kingdom, Norway and COMIFAC, and in 2012 Canada also joined the initiative. The fund is hosted by the AfDB. Its initial capitalization was €117 million, €84 million of which have been allocated to 40 projects (NGOs, research institutes and governments). It has a twofold objective: to counter climate warming by protecting Congo Basin forests and to reduce the poverty of forest communities in the same zone.

The strategy is based on:

- an increase in the value given to forests;
- an increase in the added value of forest products;
- a diversification in products and services (including carbon);
- marketing of products and services (including carbon);
- a reduction in pressure on forest resources;
- an increase in the efficiency of the resource;
- a reduction in pressure through substitution;
- reforestation of degraded areas.

- ► REFORESTATION OF DEGRADED FORESTS
- ► EDUCATION AND TRAINING
- ► MARKETING OF PRODUCTS AND SERVICES
- ► CONTRIBUTION OF ADDITIONAL INCOME SOURCES

6.8 DOUBLE CERTIFICATION

The "double certification" side event[14] organized within the framework of the Brazzaville Forum gathered together major players from the African forest and wood sector – representatives of the Congo forest administration, certified forest enterprises, research experts and representatives of national and international certification bodies.

The main objectives of these discussions were:

---

[14] Further information on the side events can be found on the forum website: http://www.fb2013.org/side-events/4579431618

- to reflect on the particular position of FSC in the subregion;
- to give the Congolese Ministry of Forest Economy an opportunity to present its initiative to relaunch the Pan-African Forest Certification (PAFC) scheme;
- to allow the private sector to engage in the dialogue and demonstrate its potential interest in this initiative and its specific expectations;
- to allow representatives of PAFC Cameroon and Gabon and the Programme for the Endorsement of Forest Certification (PEFC) Council to get involved in the discussions and contribute feedback.

Progress made:

- It seems that many forest companies in the subregion are favourable to PAFC certification, provided that the efforts required by its implementation are minimal and do not represent a significant workload.
- The development of the PAFC scheme in the Congo could be supported by the AFD-FFEM ECOFORAF project (http://www.atibt.org/en/projets-en/ecoraf-en/). The Promotion of Certified Forest Exploitatin (PPEFC) Project led by COMIFAC has yet to confirm its support.

Outstanding issues:

1) While certified unprocessed wood is not always traced from one end of the production chain to the other, what about a certified value added wood chain?
2) Would it be possible to have joint FSC-PEFC audits? (What about national accreditation?)
3) What conditions correspond to the establishment of a regional technical coordination?
4) What is the requirement level of the Congo PAFC system compared to the FSC or the PAFC Gabon?

A number of parameters remain to be clarified, but the interest of the sector in the PAFC certification is clear. In order to monitor this dialogue, ATIBT is continuing its active collaboration with the Ministry of Forest Economy of the Congo on developing a national certification system that could be recognized by PEFC International.

While PAFC certification may turn out to be useful for the African sector, the first task is to revalorize FSC certification of wood products from the Congo Basin downstream of the chain, especially among European consumers. To this end, ATIBT has been working for some months in close collaboration with its partners to launch a Europe-wide marketing campaign for 2014. Major promotion actions for certified African woods will be carried out in order to establish their status as high-quality and responsibly-sourced materials.

7 THE BRAZZAVILLE DECLARATION

A further step taken during the forum was the adoption of the *Brazzaville Declaration*[15] on 22 October 2013. This document constitutes a firm commitment and establishes golden rules for the wood industry as it seeks to move forward. Thus it proposes actions on issues relating to more advanced wood processing, market prospects and opportunities, the FLEGT Action Plan, certification systems and forest plantations. These are key issues for which a strong political will and concerted action among the countries of Central and West Africa can produce sustainable economic, environmental and social results.

It should be noted that this is particularly important at the time the European Union Timber Regulation (EUTR) is being put into operation, banning the sale of illegal wood on the European market. This obligation to import wood harvested in accordance with the laws of the producing countries means that the latter can ensure the ongoing contribution of sustainably managed forests and the creation of "green" jobs. The forest sector would thus continue to be a vital source of employment – and hence of food security, health and education – for the local inhabitants.

Alain Marius Ngoya Kessy, Director of Forest Resources Valorization of the Ministry of Forest Economy and Sustainable Development, introduced and read the *Brazzaville Declaration*:

We, participants in the International Forum on the Sustainable Development of the Wood Industry in Congo Basin Countries, representing governments, enterprises, civil society, international organizations and donors, gathered in Brazzaville from 21 to 22 October 2013,

1) recognizing the importance of the forest sector in socio-economic development and its contribution to food security and nutrition on the one hand, and its role in preserving the world climate and conserving biodiversity on the other;

2) recognizing that the forest wood processing industry represents a major potential for sustainable development in the Congo Basin;

3) considering that wood processing in the Congo Basin is a major economic activity and a substantial, ongoing source of sustainable employment in rural and isolated zones;

4) considering the coexistence, on the one hand, of large-scale forest enterprises and multinationals that are basically interconnected with international markets, and, on the other, small and medium-sized enterprises (SMEs)/small and medium-sized industries (SMIs)/microenterprises and artisans supplying finished products for national markets with antiquated facilities;

[15] The Brazzaville Declaration (in French) can be found on the forum website: http://www.fb2013.org/declaration/4580492847

5) aware that the preponderant industrial activity in the Congo Basin is primary processing with low material yields and an underutilization of salvaged wood, waste and by-products;

6) observing that traditional export markets are steadily closing to African woods because of recurrent economic crises and the growing requirements of international markets in terms of social and environmental standards;

7) considering the positive prospects for the development of intra-African markets in the medium and long term;

8) aware of the need for large-scale forestation programmes in order, on the one hand, to provide fuelwood for the expanding populations of our countries, and, on the other, to ensure sustainable management of forest concessions through a partial supply of processing units with wood from plantations;

We adopt the present declaration in order to pursue and support efforts at more advanced and diversified wood processing in the Congo Basin countries through a concerted vision.

With regard to the shared outlook,

9) we renew our commitment to the 1999 Yaoundé Declaration concerning coordinated management of our forest resources, the 2005 COMIFAC Treaty on the sustainable management of Central African forest ecosystems, the general policy on the environment and natural resource management adopted in 2007, the 2010 Accra Plan, the Nagoya Protocol on access to genetic resources and the fair, just sharing of the advantages resulting from their use, and the Rio +20 Declaration supporting sustainable development and the promotion of a sustainable future in economic, social and environmental terms, both for our planet and for present and future generations;

10) we recognize that the landscape approach is a useful tool for land-use planning with a view to incorporating rational management of such natural resources as wood, agricultural produce, mining products, wildlife (game, ivory) etc.;

11) we recognize the strategy of the International Technical Tropical Timber Association (ATIBT), an organization that is now open to states and NGOs, adopted in Vietnam in 2012, as a basis for the contribution of forests to sustainable development:

- to increase access to local, regional and intra-African markets;
- to expand more advanced and diversified processing of wood with a high added value;
- to increase areas under natural forests, forest plantations and protected areas that are responsibly – i.e. legally and sustainably – managed;

12) we reaffirm our will to boost international cooperation in the face of the challenges of sustainable, legal management of forests, more advanced and diversified processing of wood, development of local and regional markets, and development of forest plantations in our countries;

13) we recognize the significant efforts made by various Congo Basin countries to combat illegal forest extraction and to improve governance and the application of forest regulations, especially those adopted under the FLEGT action plan;

14) we recognize in particular the importance of South-South cooperation, and more specifically the sharing of experience on subjects of common interest to the three tropical forest basins.

With regard to the more advanced processing of wood,

15) we support the need to include more advanced and diversified processing of wood among the priorities of medium- and long-term development programmes following the strategic guidelines found in the White Paper **Towards a development strategy for the wood processing industry in the Congo Basin**[16] ;

16) we agree to commit ourselves, in collaboration with specialized local and international institutions and also with development partners, to implementing actions that contribute to the development of an integrated wood processing industry, equipped with industrialization plans for forest concessions;

17) we agree to advocate simplified access to financing, the creation and strengthening of specific funds, such as bank guarantees for the development of wood processing and the prefinancing of processed products through a public purchasing policy;

18) we affirm the need to increase the rate of more advanced processing and boost material yields in Congo Basin countries with the aim of creating more added value and more sustainable jobs for young people;

19) we encourage states to make sure that the installed capacities of processing units are in line with forest possibilities and that the domestic demand for wood and processed products is met in terms of both quantity and quality;

20) 20. we support the establishment of a neutral, just, harmonized and appropriate taxation system, in order to obtain a clear picture of future profits; this system must be targeted and incentivizing, with more highly processed products being taxed at a lower rate;

21) 21. we encourage states to take the necessary measures to build training centres that will facilitate young people's access to employment and enable enterprises to have a qualified workforce.

With regard to the development of local and regional markets,

22) we encourage states that have not yet done so to put progressive measures in place banning the export of logs, bearing economic and technical constraints and the evolution of markets in mind;

[16] The White Paper can be found in the FAO documents archive at: http://www.fao.org/forestry/39002-010ec7dd5c210472033dbaed89c73abb9.pdf

23) we support the development with all the stakeholders of marketing initiatives for international markets, which are very aware of social and environmental issues;

24) we encourage a multi-stakeholder dialogue in order to foster the creation of an environment favourable to the emergence of cash-dependable, profitable, transparent and competitive markets.

25) we encourage the development of a subregional and intra-African market by reducing customs, legal, institutional and commercial barriers between countries and regions, with the aim of making trade flows more fluid, combating illegal extraction and the associated trade, and improving the competitiveness of production and the mobility of merchandise;

26) we encourage the development of standards and of a wooden architecture for buildings and furniture, with an environmentally-friendly wooden prototype for low-cost housing, thus contributing to national policies on the purchase of wood and on housing;

27) we reaffirm that our efforts will focus on the development of mass production of high-quality standardized products with the aim of enabling enterprises to control production costs and make gains in productivity in the face of imports not only of wooden products, but also of substitute products. In this context, the local market and the domestic wood trade must therefore meet standards that are pre-established with the participation of stakeholders;

28) we support the wood-sector interprofession at the national level through the creation of groups of operators with the aim of pooling certain inputs;

29) we encourage enterprises, SMEs/SMIs/microenterprises and artisans to form themselves into a force for proposal and action, constituting cooperatives and professional unions in order to organize operators who often work in a highly individualistic manner;

30) we support the development of entrepreneurship by fostering the creation of a well managed fabric of SMEs/SMIs/microenterprises and developing an industry and value chain culture among small-scale operators, with a view to improving performance and profitability;

31) we encourage the integration of wood value chain activities by establishing linkages among small- and large-scale enterprises to take advantage of economies of scale.

With regard to legality and forest certifications,

32) we encourage the sustainable economic growth of the forest sector through the development and implementation of forest management plans with the aim of achieving sustainable and legal management of forest resources;

33) we recognize the contribution of FLEGT VPAs to combating illegal extraction and the associated trade and improving forest governance;

34) we support the development of a credible African certification standard for sustainable management, recognized by markets and appropriate to the situation in Congo Basin countries;

35) we strongly urge the establishment of closer ties between private certification schemes dealing with legality and sustainable management, and FLEGT VPAs, thanks to recognition of compatible schemes by VPAs;

36) we recognize the need to provide regular, reliable information to European importers regarding the legality of wood products in order to facilitate implementation of the EU Timber Regulation.

With regard to forest plantations,

37) we encourage the inclusion of forest plantations among the priorities of medium- and long-term development programmes;

38) we agree to work with specialized local and international institutions and development partners to design a strategy for the development of forest plantations in degraded and/or unforested zones;

39) we agree to advocate simplified access to financing, by promoting the creation and strengthening of specific funds and bank guarantees for the development of forest plantations;

40) we agree to give greater support to forest research institutes in Central Africa so as to increase their help to decision-making.

Signed in Brazzaville, 22 October 2013.

The participants

8 CONCLUSIONS

Reflecting the structure of the **Brazzaville Declaration**, a list is given below of the concrete actions that were suggested or called for during the forum.

8.1 MORE ADVANCED WOOD PROCESSING

- Carry out a specific study on improving yields.
- Urge a reflection on the valorization of by-products.
- Encourage research on and development of less well-known species.
- Support forest research institutes.
- Set up a glued wood inspection laboratory in the subregion.
- Encourage the local manufacture of glued wood (panels or fingerjoined glulam), including the use of mixed species.
- Transfer technologies (LVL, fingerjoined glulam etc.).
- Research must be applicable in Africa.
- Create training centres dedicated to the sector.
- Plan to use e-learning in order to provide training (towards certificates).
- For countries that have not banned the export of logs, maintain a limited but respected quota for such exports, regulated by a levy system.
- Set up partnerships with major group leaders of the value chain (Scandinavia, Brazil etc.).
- Work with development banks (the Development Bank of Central African States [DBCAS] and the African Development Bank [AfDB] to create a model that would make dedicated credit lines (wood industry development) available to enterprises to enable them to introduce new technologies and improve processes (yields, bonding, incorporation of new species, a wooden house label, “Made in Africa” etc.).
- Work with governments to create an environment that encourages investment by simplifying customs procedures for equipment, or even simply exempting such items.

8.2 MARKET PROSPECTS

- Verify customers’ expectations through a market study.

- Promote tropical woods internationally and also in Africa: a “green book of African tropical woods”.

- Affirm the modernity of wood, particularly in construction.

- Develop a label for wooden houses aimed at the African market, accompanied by international financing (microfinance in the field).

- Carry out a joint study at subregional level to examine the life cycle of the product.

- Develop a “Made in Africa” marketing approach based on successes (environment, employment, processing etc.).

- Launch a large-scale joint marketing initiative:
  - legal wood
  - technical and aesthetic aspects
  - “new” species
  - by country.

- Take Malaysian advances as the basis for a benchmark.

- Work on the marketing of “promotion” species (use, documentation, promotion, technical validation).

- Support a competition for architects or creative young people in supplying less well-known species.

- Strengthen ATIBT so that it becomes the forest-market interface.

- Defend tropical woods by being present in standardization bodies.

- Launch a campaign seeking to provide reassurance as to legality.

- Verify the level of inter-African trade so as to understand where impediments lie and thus facilitate inter-regional trade.

- Create a database, open to all, to gather and provide information on current prices in local markets.

8.3 THE FLEGT ACTION PLAN AND FOREST CERTIFICATIONS

- Mobilize the international community and donors around these projects.

- Take stock of administrative impediments.

- Provide stronger support to governments so that the rule of law may prevail wherever it is still absent or weak.

- Develop a local certification that is recognized and compatible with another major international system.

- Harmonize tax regulations in the subregion.

- Create or strengthen an international institution running a wood policy.

- Encourage a country or group of countries to become an example of good governance:
  - transparency and legality
  - combating corruption
  - investment in training and local development
  - incentivizing taxation
  - infrastructure.

- Combat illegal trade by means of incentivizing taxation.

- Expand the target of certified enterprises and invite uncertified producers to obtain certification.

- Make use of the export market, which demands legal products, to promote certification for the local market.

- Require legal wood for public markets by law and promote legal local products.

8.4 FOREST PLANTATIONS

- Specifically finance plantations though banks or investment funds.

- Guarantee legal tenure of land under plantations through leases of at least 50 years.

- Initiate a forestation programme devoted to fuelwood.

- Incorporate forest plantations into development programmes.

- Provide security for investors.

- Step up the reforestation of degraded forests (with okoume, ayous, teak, eucalyptus etc.).

9 WHITE PAPER AND BRAZZAVILLE DECLARATION

A sharing of benefits – a fair sharing – was also at stake in Brazzaville. We can see that the concept of creating shared value (CSV) was invoked, whether implicitly or explicitly. This concept entails an encounter between social progress and economic performance and is a new approach to the role of business in society, proposed by M. Porter and M. Kramer.[17]

CSV goes beyond CSR (corporate social responsibility) or even philanthropy. It must fit perfectly with the core activity of the enterprise in order to create a profit. The search for positive impacts may be expressed, for example, in better water or energy management, or in moves to take rural communities into greater consideration, in the case of development and management projects. It is clear that when dealing with forest issues, the stakeholders have many expectations (Figure 1).

FIGURE 1: NEW EXPECTATIONS (GROUTEL, 2013)

This principle of creating shared value is concerned with innovation, growth, benefits for society, formulation of strategy, adaptation and overall performance.

[17] M. Porter and M. Kramer, 2011, Creating Shared Value, *Harvard Business Review*, 89(1/2):62-77, here 66.

At Davos,[18] Michael Porter explained that CSV is not the sharing of already created value – some kind of redistribution. Rather, it is the search for joint development. The concept of CSV is thus located at the meeting point of product, productivity and organization as a cluster. We therefore have to:

- Rethink products and markets

  Is this product good for the consumer?

  What economies are there in fuel consumption?

- Redefine productivity in the value chain

  Yields

  Packaging, presentation

  Optimization of logistics

  Fuel economies in buildings

  Fuel management in logistics

  Local processing

- Foster the development of local "clusters"

  A society lives in the midst of systems: subcontractors, logistics coordinators, service providers etc. (Silicon Valley). They include universities, standardization organizations, professional federations etc. These clusters are fundamental to the good working of regional economies and play a basic role in terms of productivity, innovation and competitiveness.

As a start, it is thus tempting to draw a parallel between CSV and what was done in Brazzaville. This comparison is illustrated below (Figure 2) in an effort to launch a reflection that could provide the basis for a shared outlook.

[18] World Economic Forum Annual Meeting, Davos, 26-30 January 2011, here 27 January.

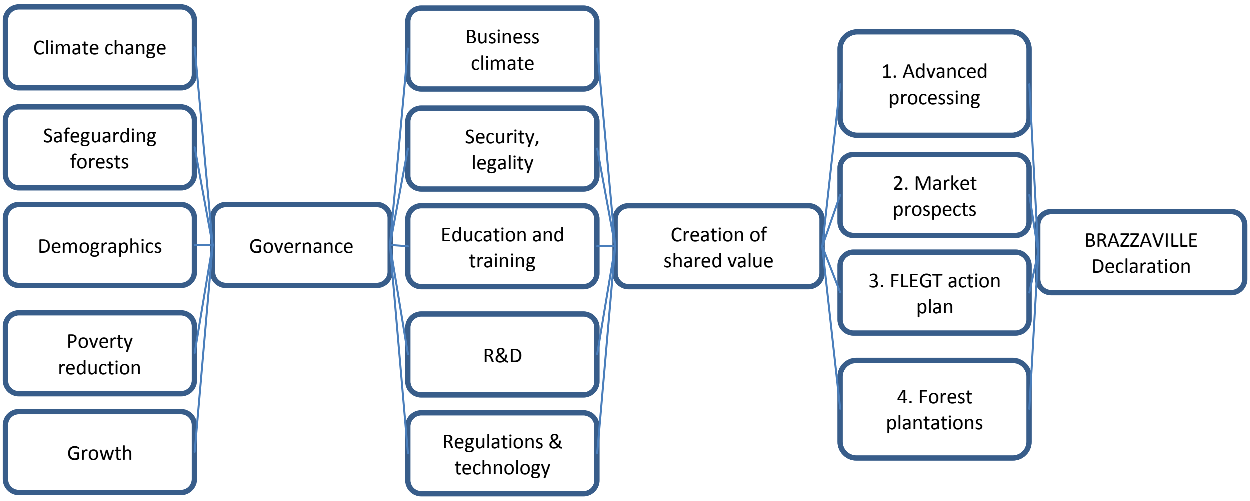

FIGURE 2: THE BRAZZAVILLE PROCESS AND THE CREATION OF SHARED VALUE (GROUTEL, 2013)

The White Paper[19] or *Magna Carta* and then this **Brazzaville Declaration** represent a unique opportunity. We have seen that the situation was a special one. As some people have observed, Congo Basin forests have been preserved, almost paradoxically, by the weakness of institutions and the absence of infrastructure. Things will be different from now on, with sustained local and regional development, major population growth and a constant worldwide demand for raw materials. The challenge is thus to combine development and poverty reduction, while preserving the forest heritage – for there are serious risks of the degradation of stands or even full-blown deforestation. It is therefore useful to see a unique opportunity in this space that is still open to us and that still today consists of:

- a Congo Basin that retains major potential;
- an export market that has raised levels of requirements with regard to legality;
- a domestic market that is now being built up;
- an inter-African market that does not yet exist.

It should be seen here that we are witnessing a kind of de-globalization: the local market is becoming predominant and exports will no longer be the driving force for forest activity in the medium term.

In the same way as the establishment of good forest practices through private certifications were challenges to be met at the start of the 2000s, the challenge of the years 2015-2025 is that of transferring international expectations regarding good management to the same level of requirement on domestic markets. FLEGT and its national components (VPAs), combined with massive planting, are undoubtedly the only way of preserving the forests of the Congo Basin.

[19] The White Paper can be found in the FAO documents archive at: http://www.fao.org/forestry/39002-010ec7dd5c210472033dbaed89c73abb9.pdf

It is here, even if this forum does not create any binding commitments, that it does have an unprecedented character, inasmuch as it covers almost the whole range of such subjects (except for issues linked with carbon).

What is important now can be summed up in two words: **GOVERNANCE** and **ACTION**.

- For governance, it is a matter of encouraging the leader or leaders, the State or States, or even the supranational body that over the next five years will have carried out actions that combine poverty reduction with the development and preservation of the forest heritage. International awards would seem to have the task of supporting this type of action.
- Concrete actions must now take over from questions focusing on the “what” (What to do? What to undertake? etc.) to consider the “how”, the “who”, the “how many”, the “when” etc.

Brazzaville responds to what must be done. This leaves the actual doing or the making sure that it is done.

In recent years, the main thing has often been to point out what is not working properly. What is needed now is to stress what *does* work and above all to encourage measures that aim to preserve and improve.

EU FAO FLEGT Programme

Food and Agriculture Organization
of the United Nations
Viale delle Terme di Caracalla
00153 Rome, Italy

www.fao.org/forestry/eu-flegt

I3537E/1/02.14