

ACHIEVEMENTS CONGO BASIN PROGRAM



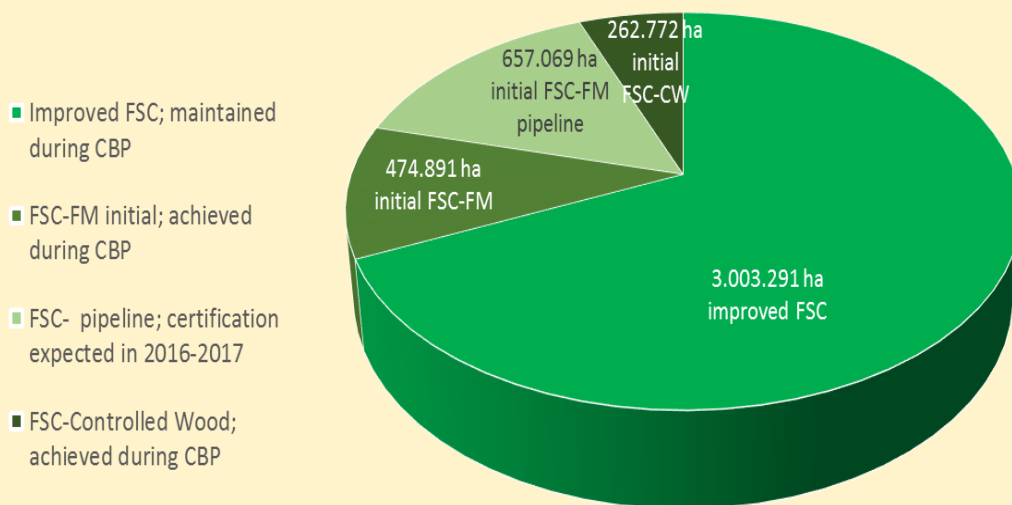
Introduction

IDH's Congo Basin Program has supported concession holders on their way to sustainable forest management and the certification thereof. The program launched in 2011 as large-scale public-private partnership, aiming to increase the responsible production and trade of tropical timber. The program ended at the end of 2015 after supporting 4.398.023ha of forest.



The Congo Basin Program (CBP) assisted and guided concession holders in the process to FSC certification and obtaining a better market position through co-funding of a number of relevant services. The objective was to assist in the initial certification of 4 million hectares of forest and to support 1.5 million ha of existing certifications. Forest companies have been invited to become a partner in the Congo Basin Program and partnerships were confirmed through contracts. Only official partner companies could make use of the financial support.

Achievements IDH - CBP: support of 4 398 023 ha of forest



Certification results

IDH-CBP has supported maintenance and improvement of more than 3 million hectares (existing FSC certifications). Furthermore, almost half a million hectares were newly certified concessions of Rougier in Gabon and Cameroon and a quarter of a million hectares has been certified under the FSC-Controlled Wood standard. Some results will pay out after 2015, such as the expected certification of SBL, Coràwood in Gabon and a concession of Wijma in Cameroon, these are indicated as pipeline projects.

According to the FSC-certificate database, the total area under FSC-FM or CW certificate in Cameroon, Gabon and the Republic of Congo is 5.7 million hectares, of which IDH-CBP has been supporting 3.5 million hectares, or 61%.

Paul-Emmanuel Huet (Rougier Groupe): "Certification is a company strategy to better manage the forest, the environment and as a consequence the company."

These are the forest companies and concessions under IDH-CBP partnership:

Forest company	Country	Concession area
Alpicam	Cameroon	415 045 ha
John Bitar	Ghana	53 517 ha
LLL	Ghana	35 958 ha
Rougier	Gabon, Cameroon	1 711 827 ha
Wijma	Cameroon	355 834 ha
SBL	Gabon	355 954 ha
CoràWood	Gabon	217 708 ha
Precious Woods	Gabon	616 700 ha
Danzer	Republic of Congo	1 160 000 ha
Total Area		4 902 543 ha

Standards

All company initiatives used the FSC system, which is well developed in Africa. The Regional FSC-standard for the Congo Basin was elaborated and approved in 2012. In some cases FSC-Controlled Wood was used as a first step towards full certification. Legality certification, such as OLB and RA-VLC, was not supported by the CBP. Development of PEFC-standards is still a challenge. Only PAFC Gabon successfully achieved PEFC endorsement of its national system, but forest companies showed little interest so far.



Sustainable management through certification

The most important effect of certification are improved management operations. More attention is paid to the identification of High Conservation Value Forests, which leads to a better biodiversity protection. Trainings, such as the Reduced Impact Logging (RIL) trainings, are supporting ecology and economy. In order to consolidate existing FSC-certifications, IDH-CBP has supported several activities, such as supply chain optimization projects and social studies.

Challenges

Active partners have indicated difficulties and challenges related to certification, such as:

- Financial crisis and reduction of trade volumes to Europe with 50%, making it more complex for forest companies to invest in sustainable forest management
- Trade shift to East Asia (China, Vietnam, etc), causing reduced importance of markets that demand certification
- The entry into force of the EUTR caused a shift of attention to legal compliance and meeting of Due Diligence Systems
- Negative example of FSC-disassociation showing risks of negative exposure and unpredictable outcomes
- Critical attitude of NGO's towards certification / certified companies has an inhibitory effect for companies that still have to take steps towards certification.

For several companies that were receiving support from CBP, the timeframe of the CBP appeared to be too short to reach certification. However, they certainly have made progress by taking certain measures, such as HCVF analyses, social studies and trainings to improve their management. Certification of those concessions is expected in 2016.

Supply chain optimization

Two companies reorganized their supply chain towards more efficient local processing. Rougier has optimized the production in the sawmill in Gabon, in terms of an increased sawmill efficiency of 7%. CoràWood just finished the study and invested in new materials for their sawmill, also in Gabon.

Micro-zoning pilot

As FSC certification seemed unfeasible in the DRC, the alternative was to carry out a micro-zoning pilot. Based on the thought that good forest management starts with the recognition of the rights and needs of all stake-holders, a participatory mapping exercise has been done. The work shows that micro-zoning is a very helpful tool in identifying the terrain, and opening a dialogue with stakeholders. An explanatory sheet on micro-zoning as a methodology is available in *English* and *French*.

Inoussa Njumboket (WWF-DRC): "There are many problems in DRC that cannot be solved easily. However, micro-zoning gives a clear starting point, as it can serve as a basis for making management plans and concluding agreements between communities and logging companies."



Community timber project – Cameroon

Fair Tropical Timber (FTT) has booked a clear result with the import of community timber from Mirebe (Cameroon) to the Netherlands. The most difficult step was to have the community recognized as an exporter, which is necessary to be able to comply with local legislation and EUTR demands. The same route is now followed for 3 other communities, forming together a group to learn from each other and reach efficiencies in going forward. A first pre-audit for legal certification of Mirebe is underway to identify the gaps to achieve the first step of certification. Efforts of FTT continue, also after 2015, with support of other donors. An description of the project can be found at: www.forminternational.nl

Leonard Sprik (Fair Tropical Timber): "The community project might not be the most interesting business case from an investors point of view. But by giving communities access to the European market, communities can generate additional income and create jobs to support development in the villages."

Business Case Toolkit

The Business Case Toolkit, a summary of best practices, has been developed by Form valuations. Good experiences should be shared and the tools might help to decrease costs or increase the efficiency. The toolkit helps to raise awareness on all the aspects that influence the business case, such as the promotion of lesser used species, road design and maintenance, and efficient use of the whole log. The Business Case Toolkit, 12 sheets on different topics, can be found here: www.formvaluations.nl or www.idhsustainabletrade.com. Reactions and additional examples are more than welcome and might be included in a second edition. More information or contact: Rutger de Wolf.

CBP main funder and partners



IDH is the founder and main funder and also plays a role in advising and supporting Form in its role as program coordinator.



The Congo Basin Program's implementation is coordinated by Form international, a Dutch consultancy firm specialised in sustainable forest management and certification.



ICCO supported the Congo Basin Program with a financial contribution and with their expertise on the social aspects.



In the Congo Basin Program, WWF acted as an advisor on forest management and public-private partnerships, on quality control of IDH service providers and on monitoring of the CBP in general. The micro-zoning pilot in DRC was done in close collaboration with WWF-DRC.



Fair Tropical Timber (FTT) has been in charge of the realisation of group certification of community forests in Cameroon.



LESSONS LEARNED



On November 20th 2015 a learning event has been held in Utrecht. The results and subprojects of the CBP were presented by six different speakers. Afterwards a panel discussion was held with four panel members from different perspectives.

Overview speakers learning event

- Overview CBP and major achievements
Mr. Tieme Wanders, Form international
- Vision Sustainable Tropical Timber Trade in relation to Africa
Ms. Marieke Abcouwer, IDH
- Legal export of community timber from Cameroun to the EU
Mr. Leonard Sprik, Fair Tropical Timber (ETH)
- Presentation of SFM business case toolkit
Mr. Rutger de Wolf, Form valuations
- Perspective of forest company on support by the CBP
Mr. Paul-Emmanuel Huet, Rougier Groupe
- Outcomes pilot participative micro-zoning of forest concession in DRC
Mr. Inoussa Njumboket, WWF DRC
- Panel discussion moderated by Mr Paul Hol, Form international:
Mr. Gijs Breukink (WWF), Mr. Cor von Meijenfeldt (Ministry of Economic Affairs),
Mr. Robert Hunink (ATIBT), Mr. Alain Pénélon (EFI / EU Flegt Facility)

Supply and demand

A flourishing timber business, like any business, is about supply and demand being in balance, in terms of quantities, but also in terms of quality. At the start of the CBP program, supply of certified timber was the problem. Problems have been shifted to the demand-side, because of the financial crisis, which caused a drop in the timber demand.

Mr. Robert Hunink (ATIBT): "It takes two to tango, meaning that supply and demand of FSC certified timber need to communicate more to find each other. "

The future of SFM

The key issue of discussion was the future of FSC-certified sustainable forest management. One of the current threats mentioned is Motion 65 on intact Forest Landscapes, raised in the FSC General Assembly, which would reduce the productive surface of a forest concession drastically. To some stakeholders, it seems that the European Timber



Regulation (EUTR) is a threat to FSC.

Jan-Willem Hunink (OLAM international): "As FSC is not considered a green lane yet by EUTR, timber companies still have to comply with Due Diligence requirements. Due to the fact that EUTR only requires proven legality and not yet proven sustainability, the EUTR could be a threat to sustainable certification."

In the discussion whether the VPA approach or the certification approach is more effective to reach the sustainability and legality objectives, Alain Pénelon (EFI / EU FLEGT Facility) argues that we should not compare the VPA process with certification:

"They are complementary processes. In some countries, the EU VPA is a way to level the playing field which ultimately complements any companies' investment in certification, and thus the VPA is not undermining certification."

Alternatives for price premiums

What we see in practice is that FSC certification can involve extra investments costs, not always covered by price premiums on the sold timber. Alternatives for price premiums have also been mentioned. However, payment for Environmental Services (Water, Carbon) is still difficult to implement, and the private sector sees this as a limited opportunity still. An alternative could be to improve recovery rates and efficiency. Best practices are listed in the Business Case Toolkit. Another suggestion is tax differentiation on the import of timber when it enters the EU.

Gijs Burgman (Wijma Trading): "If FSC timber can be imported free of charge, legal timber with a partial tax and other timber paying the full price, being FSC-certified is rewarded."

Image of the forestry sector

Some stakeholders are of the opinion that the critical attitude of some NGO's puts a heavy burden on companies. A critical press release can have high impact for a timber company.

Gijs Breukink (WWF) disagrees: "The role of NGOs is to be critical, they keep the standard high. Critical NGO's identify cases of illegality, this should be favoring to 'the good ones'."

None withstanding he recognizes, along with others, the need for good examples being brought to the spot light as well, to balance the imaging. A positive communication and imaging of the forestry sector is important. This is a joint task of all players in the sector: FSC, NGO's and the companies.

Program development IDH: landscape approach

In the past years, it became clear that an integrated approach broader than the timber supply chain is essential to truly tackle deforestation and forest degradation. In the coming years, IDH's Tropical Timber Program will therefore develop a new approach, involving a broader variety of stakeholders and land-users, and aligning with other initiatives and processes in a number of focus countries. An important part of the work will be to deliver a 'certification+ package'. This entails support for flagship certification processes, including support for improving the business case. The new approach will also work on enabling SFM by supporting landscape planning efforts (within the Initiative for Sustainable Landscapes) and accelerating VPA processes. On the demand side, IDH will continue to support the Sustainable Tropical Timber Coalition. The ambition is to have 50% sustainable timber in Europe by 2020, which will support the business case for SFM. For more information, please see www.idhsustainabletrade.com and www.europeansttc.com.