

J. F. Swartzendruber Trip Report:
Brussels, 20-23 January 1998
*EDI/EU Programme de formation et de coopération
sur les politiques forestières dans le Bassin du Congo*

Background

Congo Basin forestry ministry officials and donor representatives met in Brussels to agree on the objectives and outline the contents of a policymaker's training program now being launched by the World Bank's Economic Development Institute, with funding from the EC (DG VIII). Although this planning meeting was specific to the EC-funded activity being managed by EDI, it also represented - *de facto* - an opportunity for the donors present to interact as a group with Central African ministers and heads of technical departments on a range of forestry issues. (The list of participants is available separately.) For many it was also an initial chance to meet officials of the new governments in Brazzaville and Kinshasa; conversely, during the meeting word came of a complete change of cabinet in Equatorial Guinea, including the minister of fisheries and forests, who was present at Brussels and expected to become the next president of the CEFDHAC ("Brazzaville Process") at the group's next meeting, scheduled for Bata during June 1998.

Summary

From the point of view of EDI's objectives, the workshop should be considered a success, as there was strong support for awareness-raising and training of the type proposed, and great interest in the content of the eventual program. More broadly, the meeting also succeeded in identifying regional issues and continuing the dialogue on these points, but the way forward looks difficult in many respects. Some overarching observations follow:

(a) There is a tentative interest in greater use of market mechanisms as a means of making forest exploitation more efficient, together with great uncertainty over which approaches are in the countries' best interests, and how to manage them; there is resentment over some of the policies introduced by the World Bank, though perhaps more due to their manner of introduction than to their substance, thus the EDI programme can be helpful if it permits countries to be more engaged in the selection, monitoring, and adjustment of policies and market instruments. Thus far, political economy and "rent-seeking" issues, which also present obstacles to reform, have not been directly addressed. Also, biodiversity and conservation values will probably not be adequately represented in a shift toward market mechanisms without specific measures to ensure these considerations; the presenters did not cover this issue.

(b) A temporary alliance of interests exists between NGOs, policy-makers, and the private sector, all of whom would like to see radical improvements in the present chaotic/anarchic state of the Congo Basin forest sector: the private sector hopes to make its operating environment more stable, less risky, and therefore more profitable; government hopes to boost revenues by rationalising and more effectively managing commercial logging; and NGOs hope to see conservation and forest management policies put in place and enforced. For their part the donors appear to combine these interests in varying degrees. As specific proposals have not yet been put on the table, willingness to work toward a common solution has not been seriously tested. In this sense the EDI meeting extends the "Brazzaville Process" and the recent donor meetings, building this informal network without directly addressing concrete proposals and obstacles. For some,

the credibility of the process depends on eventually moving toward specific actions, but both the timing and agenda need to be carefully managed to avoid a premature "showdown."

© Regional leadership is an issue which could become more salient this year, with the expected transfer of the presidency of the CEFDHAC process from Rep. of Congo to Equatorial Guinea during the Bata meeting in June. For linguistic and other reasons, Equatorial Guinea is not expected to play the same high-profile role in CEFDHAC as was played by Minister Koyo prior to the ouster of the Lissouba government from Brazzaville (during the Brussels meeting, word came that the entire cabinet of Equatorial Guinea has been changed, but the new forestry minister was not known as of this writing). The Gabon delegation was particularly vigorous during the EDI workshop, and it is worth noting that several regional offices are now based in Libreville, including ATO, CARPE, ECOFAC, FORAFRI, and REIMP. On the other hand, the presentation of the Dem. Rep. of Congo offered to host a future meeting: "*considérant qu'elle contient plus de 60% des forêts du Bassin du Congo, elle mérite bien de vous recevoir.*" IUCN hopes to engage Koyo as a consultant in preparation of the Bata meeting (the new Brazzaville government having reportedly agreed in advance). This would help ensure some continuity and perhaps ease the transition period, but the question of leadership post-Bata remains.

(d) On another aspect of the leadership issue, ATO/OAB and CEFDHAC continue to be discussed as either collaborators or competitors with no immediate resolution in sight. The funding of ATO is uncertain after this year, thus the issue will become more pressing in the coming months. On the whole the Brussels participants seem to feel that both entities have a sufficiently distinct mandate to permit continued coexistence. The donors (e.g. France) most interested in supporting ATO will probably press for clarification of CEFDHAC's terms of reference, but will probably not succeed with suggestions that it be folded into ATO. However, if the latter establishes a Congo Basin subgroup, as mentioned in Brussels, this could complicate matters by increasing the perception of overlap and competition.

(e) A number of donor issues remain to be resolved following the Florence meeting in November. While some of these groups were present at the EDI workshop, many others were not, and it is not clear whether a consensus exists for continuation of the donor process launched by the EU last April. USAID is considering the idea of offering to host the next meeting, and to encourage donors (e.g. Canada) which have not been active thus far to participate in this session. As Cameroon was selected in Florence as a case study for the donor group, CARPE is also going to propose that a future meeting take place in Cameroon, in coordination with CEFDHAC and other partners (i.e. the WWF quarterly environment coordination meetings in Yaounde).

Highlights of Proceedings: Tuesday Jan, 20, 1998

Opening Presentation - EU The meeting was opened by Hans Carle, the head of unit for the EC's Central Africa Region (Directorate of Development), who briefly reviewed the EU's policy and approach to sustainable forestry, and described the ECOFAC program currently in its second phase (42 million ECUs) as well as support to the World Bank/GEF REIMP/PRGIE, the APFT program, support for the "Brazzaville Process," and the recent EU "Green Book" on EU cooperation with ACP countries.

He then spoke in candid terms of the present "crisis of legitimacy" and its effects on public aid to development, which increasingly is being linked to performance and results. Although there have been positive trends as well, notably the rise in commitment to participation, it is important to recognize realities. Development assistance budget levels are declining and Africa is no longer seen as a strategic continent as during the Cold War era. A second theme concerns the effects of globalisation on developments within Africa, and the rising importance of private sector

investment and capital markets, which are largely bypassing Africa but bringing indirect effects. Another trend is the addition of new members to the EU, primarily from Eastern Europe, a region with greater internal demands and perhaps less interest in development assistance to the South, thus EU resources are increasingly called-upon for meeting needs of these members.

Central Africa is a region currently experiencing armed conflict, and a certain tendency to uphold democratisation in the form of a façade. On the whole there are too many political parties but insufficient democratic governance, with autocratic elites ruling for their own benefit and that of their clients as soon as an election has been concluded. The powers of the *état prédateur* are used to maintain power, while "criminalisation of the economy" leads to rapid wealth for a few, with much waste while eyes are closed to the damage to the patrimony.

In view of these trends, two approaches are proposed: (a) forest policy will increasingly be placed within the context of the policy dialogue between the EU and ACP countries; the EU can no longer take a neutral stance on forestry policy, as for example, in Cameroon, and this entails intensive dialogue with other donors despite institutional resistance; (b) formulation of better forestry policies placed into a coherent regional approach, which is the purpose of the present meeting and the EDI project.

World Bank The World Bank representative, Mr. Voyadzis, spoke briefly on joint EU-Bank development coordination, which totals some \$2 billion per year worldwide. The EU and the Bank have worked most closely together in Eastern Europe, notably in Bosnia, but one may expect to see more such coordination in Africa as well. The EDI program should be seen in the context of capacity-building for good governance.

Discussion Highlights

The FAO representative, Jean Clément, offered some observations on the preceding presentations, drawing a distinction between "frankness" and "brutality," and reflecting that it is not easy to determine what should be meant by "democracy" in a complex region such as Central Africa.

The IUCN representative, Ndinga Assitou, noted some positive dynamics in the region, including the development of a new framework for *concertation*, which will eventually help build policies for forest management across the region.

An African Timber Organization (ATO) representative, Philemon Selebangue, mentioned EU-funded tests on criteria and indicators for sustainable forest management, being carried out by ATO; the example of Cameroon illustrates some problems, however: there are many conservation projects, but the population also needs to benefit. In the past one was told that development required replacing forests with agriculture, and now it is the reverse, but what is there to offer the population? Selebangue also raised the question whether the role of the ATO was receiving appropriate attention.

The ATIBT (timber industry association) representative, J.-J. Landrot, drew a distinction between poverty and corruption. In the past the private sector was seen as a pioneer, but now is considered by many a predator; how can we better involve the private sector in the policy process and in development? If the World Bank now meets with NGOs, why not also with the private sector?

The Minister of Forest Economy of the Rep. of Congo (Henri Djombo) commented that local realities may be quite different than those in other regions, which needs to be taken into account. The representative of the Dem. Rep. of Congo, Djengo Bosulu, called for greater accountability in management of projects, and suggested that rather than wait for the results of project evaluations, technical departments should be strengthened to conduct ongoing analysis and assessment so that problems can be spotted earlier and action taken. He also noted that the Internet may make such ideas more practical than in the past.

WWF-Belgium (Jean-Luc Roux) described the negative effects of globalisation and the impact of financial markets on forests, through the mechanism of "predatory capital mobility" which had transcended the importance of government policy in many cases. The "Asian model" has been held up as an example yet we now see both the environmental consequences as well as the redistribution of income toward the elites.

Carle observed that, "if there is corruption, there is also the corruptor" and elaborated on his earlier comments, noting that there may indeed be need to regulate the more extreme manifestations of financial markets. Rather than an "afro-pessimist," his view is that of an "afro-optimiste modéré." With respect to the ATO, its role largely depends on what it can bring to the process.

The minister from CAR, Joseph Gnomba, stressed the importance of the forest industry to the economy and to government budgets, especially in times of declining prices for agricultural commodities.

The conference facilitator, Jean-Louis Blanchez, summarised the discussion, noting the key issue of defining "policy," which presupposes that forests represent a problem to society. New demands on forest managers present difficult choices, and forest policy is in a process of rapid evolution. The EDI program for the Congo Basin will, in the first phase, include two workshops held in the region, plus study tours to include two participants per country (Cameroon, CAR, Rep. of Congo, Dem. Rep. of Congo, Gabon, and Equatorial Guinea). The choice of themes and content is the work for this group.

The head of the Gabon delegation (Martin Mabala) asked whether the EDI document would be considered a final statement, or would the countries need to approve the text?

Amos Tincani (DG VIII) responded that the group should focus on the training element, not the specific question of forest policy for each country. The immediate need is to identify and agree on training needs.

François Gaulme (Centre d'Etudes d'Afrique Noire, Univ. of Bordeaux) gave a presentation (copy available on request) on the evolution of regional policy in Central Africa, set in the context of a larger trend of globalisation. Since 1994 one visible "regional trend" has been warfare, sweeping from Rwanda across to the Atlantic. A brief summary of the colonial era provides an important context, as the colonial powers, following the Congress of Berlin in 1885, established strong protectionist mechanisms which still have some influence today. In addition, "ferocious" competition between France and Belgium led to considerable duplication of effort and irrationality, notably with respect to construction of costly infrastructure such as ports and railroads. The economic integration of the Congo Basin dates to the slave trade, which reached to the center of Africa. "In precolonial times the major rivers were never a border" yet the French and Belgians insisted on patterns of duplication which have persisted following independence.

Countries in this region became independent largely on a territorial base rather than one of federal government; the colonial administration was based on large units defined for the sake of geographic convenience and simplicity rather than any requirements of governance. Since independence many regional institutions have been established, often of uncertain efficiency and sometimes in competition. "One can say that in central Africa too many regional institutions have killed regionalisation." However a few regional institutions remain important, notably BEAC (central banking role) and the CFA zone, which is able to depart to some extent from the colonial constraints. For example Equatorial Guinea was able to be absorbed into the franc zone due to its small economy; this would not be possible for Zaire due to its much larger size. SADC is playing a more important role, especially in the southern part of the region, where it draws influence away from France.

Some other example of weakness in the area of regional policy institutions include the ATO, an example of policy incoherence: Ghana, a member of ATO, has a ban on log exports, while Gabon, another important member and the seat of the ATO, exports nothing but logs. In general one can say that the region is characterised by "anarchy" with respect to forest management. Asian logging companies are now appearing in the region with no coordination or technical monitoring. On the other hand, one should note that there has not been a history of warfare or confrontation generally between the states of the Basin (only within them). Returning to the theme of globalisation, it will be important to see what is the ultimate effect of structural adjustment and the continuing economic crisis, for example what is the impact on transportation.

Ndinga (IUCN) responded that mechanisms for coordination in the forest sector are evolving, for example ECOFAC, also CEFDHAC. The previous speaker should take notice of the Brazzaville Declaration as an indication of the political will within the region to move ahead on forest management and regional coordination. Selebangue (ATO) observed that member states have financial constraints which make them unable to support regional bodies such as ATO. The delegations of Gabon and CAR mentioned on-going efforts to make forest management more rational, for example through projects such as PARN (World Bank-funded) in CAR. Appolinaire Nkoulou (Cameroon) mentioned that there has been a historical cycle which at one period favored cocoa and coffee, later oil, and now timber, while Bosulu (DRC) pointed out that the forestry sector is, overall, less important in that former Zaire than is mining.

ATIBT (Landrot) contrasted approaches which monitor timber markets by wood species, on one hand, or by country, on the other. Roux (WWF/B) spoke on the need to move from an approach of "mining" the forest to one of managing forests; Tincani (EU) noted that the Amazon Pact may offer some useful lessons. Gaulme responded that the only way to properly understand the constraints on such approaches is to analyze the region's previous history and understand its political and economic dynamics, *les pesanteurs historiques*.

David Drake, of the Canadian Forest Service, gave a presentation (copy available on request) reviewing the international negotiations related to forest conservation, and highlighting recent developments and issues such as the IPF and a possible forest convention. He pointed out that "sustainable forest management" (SFM) is not yet defined in a way which can permit the international community to move ahead and put in place effective mechanisms to support it; the concept needs to be defined and linked to trade mechanisms. In the international negotiations on these issues, those countries with large natural forests tend to see the issue differently than those who do not, in addition to different perspectives related to economic level, and presented a table (partially reproduced below) illustrating the relationship between these factors.

	less forest cover	more forest cover
higher GDP	environmental protection (Netherlands, Japan, France)	sustainable development (Canada, US, Sweden)
lower GDP	basic/survival needs (Mali, Senegal, India)	economic growth (Indonesia, Gabon, Russia, China, Congo)

An important point for the EDI program to address is the fact that African voices are generally absent from the international fora in which these issues are being debated and where many decisions will be made which will affect Africa's forests. African policymakers need to find ways of becoming more engaged in these negotiations and making their interests and perspectives heard in the global debate.

Landrot responded by calling upon African timber producers to take up a challenge of industrialization based on the timber sector, beginning with a "reconquest" of European markets. Many urban Africans have lost touch with forests, and should try to regain their traditional knowledge of this resource. Roux added that northern NGOs should shift their strategy from one of organizing boycotts to on-the-ground work which begins to implement SFM and demonstrate that it is practical and effective. Willingness exists to introduce these methods but more concrete examples are needed. Minister Djombo (Rep. of Congo) responded that one can only introduce SFM when more is known about the forest; to date there has not been enough inventory work, and countries still don't know the true value of the concessions that have been awarded. Nkoulou (Cameroon) added that economic necessity forces countries to award concessions to those able to pay: countries need the revenue and work with companies who they know can pay their revenue; some of the more experimental ideas are interesting but how can one be sure these operations will provide the needed revenue? Djombo (Congo) added that more local processing would lead to less waste and create more value-added for the country.

Ndinga (IUCN) observed that one reason the African countries are not heard is international negotiations is that they lack the funds to participate in the series of meetings which take place all over the world; also the rapid turn-over of political leadership in the ministries means that they are constantly having to learn the issues and the positions-there is no continuity in the negotiating process.

Morieta (EC) stated that the UN declaration on human rights may have implications for forest management, for ex. with respect to rights to land and rights to participation. These raise issues of civil society, cultural diversity, and forest demarcation which is now becoming an important topic in Latin America for example. Minister Gnomba (CAR) stated that as the forests are "the lungs of the world," other countries also have a role to help fund the forest's management, not just through loans made to poor countries. Also, management systems need to be extended and improved within the concessions. Political will exists to do this, but the fiscal means are lacking. The CAR intends to ban log exports, and already is transforming a significant proportion of its timber production. (This point generated some discussion about the definition of "transformation" and some debate over the short-term feasibility of this idea.)

Secrétaire d'Etat Martin Mabala (*Ministère des Eaux et Forêts et de Reboisement*) presented a review of Gabon's policy on development of the country's forest sector (copy available on request). Gabon supports the ITTO goals for the year 2000, and is working to improve the technical and financial performance of the sector, including more emphasis on social and biodiversity benefits. A new forest law has been written, and case studies on SFM are being

studied. Anti-poaching efforts are being increased, but there is great need for better efforts on monitoring timber markets for policy and planning. The minister from Cameroon (Sylvestre Naah Ondoa) asked how Gabon is handling the issue of forest taxation? Mabala responded that they intend to promote greater local processing, which would be gradually reflected in the tax structure. There is now a commission studying the issues of area taxes (*taxes de superficie*) and other technical issues related to local processing and value-added. Alain Karsenty (CIRAD-Forêt) pointed out that there are opportunity costs in local processing—more economic analysis is needed on this issue. The low cost of the resource has also caused waste... this issue would be discussed in depth later in the day.

Minister Djombo (Congo Rep.) commented that economic viability depends in part on *savoir-faire*; a study of a project in northern Congo showed an internal rate of return ranging from 3-16% depending on the type of operator and its level of technology, thus introducing local processing may require a "big brother" to help provide the improved technology without which these ideas may not be viable. *"One can't say a priori that a certain approach is good or bad."* Also, there is a need to reconcile economic and ecological interests. Perhaps open bids could be used to generate proposals, from which to pick the best. Landrot (ATIBT) responded that the notion of timber as an "undervalued resource" is a myth: *"The World Bank is pressing a policy which goes against sustainable management and creates unemployment."*

O. Hamel (French Cooperation) noted that this is not an area for which training is readily available, as it touches complex issues such as biodiversity, in which discoveries are still being made; one can say that we are "learning on the job" and the EDI program needs to reflect this reality. Mabala (Gabon) added that even where training is available, as with ENEF (Ecole Nationale des Eaux et Forêts, outside Libreville) there has always been difficulty in finding students willing to work in the bush. At a certain level of training graduates expect to work in air-conditioned offices in the city, and resist being assigned to field work. (Several participants offered similar observations.)

Vidal Becoba Choni, Minister of Fisheries and Forests of Equatorial Guinea, gave a presentation on that country's forest sector status and policies. A new forestry law was adopted in 1997, but implementation is still partial. The law sets a minimum harvest diameter of 70cm, although the reality is that trees are still being cut at diameters of 45-50cm. The ECOFAC project at Monte Alen is working with a timber concession to explore options for better forest management with less impact on biodiversity. Community forests (*bosque comunal*) have existed in Equatorial Guinea for around 100 years, so it would be interesting to see what lessons have been learned and what can be applied today, for example on increasing the involvement of local people in forest management. The new law provides for a level of four hectares of forest per person, which should permit sustainable use by local communities.

Mabala (Gabon) commented that the issue of Asian loggers has helped to "stir up" the sector, leading to reexamination of policies, and change of attitudes. François Grison (CIRAD) pointed to a trend of decentralisation of forest management following a long period of centralised policy and control, a transition which will not always be easy. Karsenty drew a distinction between decentralisation in the form of delegation of responsibilities (for example, to the private sector), in the framework of overall policies set by the government, and decentralisation in the form of local/community decision-making. The concept of co-management is a new theme still being explored; a forest can be managed for multiple uses, so it's important to try to find a workable balance which meets the various needs and is sustainable. Clement (FAO) added that forest policy, which must always be set by the government, should clearly identify the role or purpose

of any given forest: some may be for commercial timber extraction, others for local purposes. "We shouldn't expect the same responsibility of a Pygmy hunter as we expect from a commercial logging company."

Wednesday 21 Jan. 1998

Olivier Hamel (French Cooperation) gave a presentation (copy available on request) discussing issues and strategies underlying an approach to sustainable forest management, beginning by noting some differences between the forest sector in the world's three key tropical forest zones: Southeast Asia, the Amazon basin, and central and West Africa. The density of commercial timber species varies widely between these three zones, which in turn has influenced the development of logging and management issues, and also explains the present concern about the arrival of Asian logging companies - accustomed to a certain context - in African forests with quite different characteristics. While everyone acknowledges that forests have a set of "universal purposes," these purposes are seen in different ways by different groups: for ex., NGOs are most concerned about global ecological equilibrium; governments are primarily concerned with national economic development; and local communities are concerned about local uses and needs. Changes in markets, technologies, new materials can all affect the options for forest management. For example, some new materials are now available, engineered from wood waste and other materials, which are very competitive with traditional sawn wood for certain applications. So one can expect that over time markets will shift and some products will become less attractive.

There is also a difference in the approach of donors on these topics: some seem more oriented toward conservation while others emphasize development. These views will naturally have implications for topics such as a forest convention, as well as the process of donor coordination. [Hamel then presented a series of tables and a diagram outlining strategic approaches to forest management; the diagram illustrates the "sustainable management tightrope:" a person trying to balance factors such as agriculture, energy, global and local markets, international conventions, social and administrative structures, silviculture and technology, forest management, criteria and indicators, land-use management, forest laws, and management plans; a copy of this material is available on request.]

Clement (FAO) responded that, in contrast to the idealised system described by Hamel, the actual situation is for the most part "*in disorder*" on the part of counties as well as donors. The latter intervene at the point of their particular interest rather than from an overall plan based upon logic. 95% of the projects in this sector have failed, what has been learned from this? A long chain of requirements must be in place for anything to succeed, but the soundness of this chain is often neglected. A firm policy foundation is needed so that we don't go on wasting time and resources in the same way as always.

Rubens Nambai (CAR) mentioned an audit recently carried out by SGS in the forest sector in CAR; this study showed that the World Bank's process of forest concession auctions would not work in CAR due to the limited number of timber companies operating there-it wouldn't be realistic to have a meaningful auction process with so few participants. This illustrates that not all cases are the same, so one approach cannot be adopted everywhere. Séraphin Dandyas (Gabon) added that the World Bank should realize that the pressure of conditionalities which is constantly placed upon finance and planning ministers often undermines the actions of the forestry authorities. Bosulu (Dem. Rep. of Congo) added that funds destined for reforestation are often taken over by the central bank, and never used for any environmental or forestry purpose.

More authority needs to be given to forestry and environment agencies to control the funds generated for forest management. Nkoulou (Cameroon) observed that structural adjustment has sharply reduced national budgets, and weakened administrations, which are now much weaker than the private sector, while donors are funding NGOs more than the government. It is urgent to strengthen forest administration... the Bretton Woods institutions don't provide enough budget for adequate forest inventory which makes rational management impossible-even the most basic data needed for planning is unavailable. Selebangué (ATO) stated that donors often bring their own plans, which displace any plans the countries might have had. As a start we should ensure that the materials presented during this conference are made available so that the countries can study them and better understand how to develop plans.

Landrot (ATIBT) raised the issue of political stability, and noted also a problem of "policy stability." The private sector is not concerned *per se* with "democracy" as practiced in Europe for example, nor with the internal politics of the countries. But the constant turmoil in countries such as Liberia and Sierra Leone, for example, illustrates the problem. Some stability is needed if the private sector is expected to invest and to conduct management plans which have a long-term perspective. Another thought might also be offered: linking funding for reforestation with other extractive enterprises, such as petroleum-could the oil industry also contribute to reforestation efforts? The oil industry does not come under pressure to move toward sustainable use, yet forestry offers the only means of actually "capturing" carbon and sequestering it. Well-managed okoumé forests in Gabon, for example, could reach levels of 20-30 million M³.

Ndinga (IUCN) commented that the policy of assistance also creates the phenomenon of "the assisted." If 30 years of donor cooperation haven't produced results, the problem is donors who don't develop programs in the context of national policy. For example of the proliferation of environmental policies, which has evolved from national conservation strategies to TFAPs, then NEAPS, and now sustainable development strategies, biodiversity action plans, climate change country strategies... This results in waste of resources, but "he who brings the resources is the stronger." The donors can mobilise resources so the countries will always agree, and in effect there are always immediate needs which can be justified. But this process never results in achieving the objectives we seek. Also it is true that there is more work done now through NGOs, but we cannot work without the governments; it's sometimes fashionable to create enclaves of NGOs - which reminds one of the famous book *Enclave et Esclave* - and this situation certainly is true in forestry. The structural adjustment policies, intended to reduce the public sector salary burden, has reduced the number of personnel in the forestry sector. But is it not possible to have the private sector companies operate more within the policies of the host countries? Naturally the countries must also maintain a certain focus on the issue of transparency...

Nkoulou (Cameroon) agreed that the effects of structural adjustment and devaluation have been significant; the conditionalities are accepted by the ministries of finance and planning, but {forest} sector plans have not been adequate, nor taken into account. The technical agencies are not able to negotiate with finance and planning. Governments make choices, often citing sovereignty issues in their discussions with donors, but also don't always recognize market realities; this has had a major effect on prices of cocoa, for example. Clement (FAO) responded that the donors already agree on the need to have country policies as the context for projects, the question is the structure in which this takes place. Maybe some type of "coordination forum" could be useful, as in the case of Indonesia, Vietnam, Honduras... Also the issue of financial mechanisms is difficult, countries have to come to terms with choices, better grasp the options, and understand the impact of budget choices and structural adjustment. Roux (WWF/B) noted

that the EU is now beginning to press harder on the issue of transparency as a criterion for development assistance.

Minister Djombo (Congo Rep.) presented a report on forest policy in his country, highlighting the presence of successful eucalyptus plantations which illustrate what can be done to produce timber on a long-term basis. The government wants to increase value-added in logging by reducing log exports and also reducing waste in the industry, and called for a relaunching of the Central African Organization for Conservation of Nature. Binational and multi-national parks are another significant development; the gorillas (orphans) taken to Pointe Noire during last year's fighting are now being relocated to Brazzaville a security is now restored. Friendly countries are invited to reestablish cooperation and assistance. The planned privatisation of the railroad system may help the forest sector; the northern part of the country is dependent on log exports, but the railroad is not able to transport a sufficient volume. More local transformation will facilitate shipping; improvements in the railroad may also enable reopening links with timber exporters in Bangui who presently ship via Cameroon. The new government in Brazzaville respects all previous engagements applying to the forest sector, and continues those policies.

Nkoulou (Cameroon) asked whether it would be possible to convene a regional meeting to define a regional policy on forestry? Landrot (ATIBT) elaborated on the issue of transportation constraints, the role of railroads, siltation of ports throughout the region. The cost of overland transportation makes some areas uneconomic for forest exploitation.

Clotilde Ngomba Ndomb (World Bank) stated that forestry agents in francophone countries need to begin shifting from a paramilitary police/enforcement role toward a training and technical function in cooperation with NGOs and the local communities... this is a major challenge but a vital task.

The Congo delegation suggested that ATO/OAB and CEFDHAC would be well placed to coordinate policies. Congo sent a study mission to Cameroon and Côte d'Ivoire, and other countries have sent visitors to the eucalyptus plantations at Pointe Noire, which has been very successful with its cloning technology since the late 1970s. During the socialist years investors were reluctant to come to Congo because they expected the country to be dominated by Cubans and Chinese. This impression is now changing and Congo hopes to see much more private sector interest. One issue of long-term importance concerns the impact of increasing the number of species harvested: do we know the effects this might have on the forest, what kind of rotation to introduce, what will be the effect on secondary forest regeneration?

The Minister of Eaux et Forêts of CAR, Joseph Gnomba, presented a report (available in request) on the country's forest policy, emphasizing the 1990 reform in forest legislation, the disbanding of several public agencies in the sector, and development of a forestry fund. The country intends to establish forest management plans over the next ten years, and to complete the task of inventorying the forest resources begun under the PARN project (World Bank-funded). The World Bank and IMF need to take note of the affect their policies have had on staffing in technical departments; they must reduce their pressure on the administration so that forest management can be introduced. At present the country has achieved a transformation rate of 85% of the timber harvested.

The Cameroon delegation asked whether the figure of 85% was accurate, or based on some special definition of "transformation?" This seems hard to reconcile with the numbers of trucks transiting Cameroon carrying logs from CAR toward Douala... Are these perhaps trees diverted

from elsewhere? Minister Gnomba replied that the government has confidence in its data, as SGS has conducted an independent audit which has proved these points. On the other hand, perhaps it is possible that during the recent crisis there have been cases of non-compliance... Following this point, Roux (WWF/B) raised the question whether countries were in a position to monitor and control the cross-border traffic, which in many cases results in non-payment of forest taxes... Is there any scope for greater cooperation between governments in order to bring this under control? Fraud is a major problem in the timber industry.

The Gabon delegation responded that in general the issue is to identify the bottlenecks to establishing forest policy; in this task donors have something to contribute. Countries need staff capable of carrying out such policy, but the structural adjustment prevents agencies from recruiting and staffing even for participatory forestry, which the donors are in favor of, let alone enforcement even when needed. Selebangué (ATO/OAB) mentioned that during the PARN project in CAR, the World Bank had intended to recruit staff for participatory forestry, but that this was vetoed by the IMF.

Landrot (ATIBT) stated that production needs to be more selective with respect to choice of sites. In the case of CAR, most of the timber concessions are 1,400km away from the port of Douala; time, loss and transport costs make exploitation uneconomic in many cases. Even where it can be built, adding new infrastructure would be amortized over a small volume harvested, further raising the cost of business. There is also insufficient local market to sustain local processing, which calls into question all the talk about raising value-added and increasing local processing for the local market.

The Cameroon delegation returned to the topic of fraud, noting that this illustrates the need for coordinated tax policies between the countries. *"Since the World Bank now practically sets our policies, should the Bank be asked to take on this issue?"*

Theodore Trefon (Univ. Libre de Bruxelles) gave a presentation on social factors related to forest management (available on request). One should bear in mind that forests are not only physical zones, but they also represent "social space." Many of those working in this sector have noticed that the local population will often not cooperate with projects designed by others, or which they feel do not serve their interests. There are two main issues here: (a) how to harmonise social needs with those of commercial forestry, and (b) assuring that the most affected population receives equitable benefits. Based on the experience of Sarawak, it may be that Asian companies will have greater social impacts than the European operators... The traditional policy of viewing land as vacant and "without master" unless it is being worked, e.g. through agriculture, reflects long-standing attitudes toward villagers, and especially toward hunters and gatherers. "The future of the forest is largely played out in the towns." Population growth is rapidly expanding urban areas and the pressures they place on forests, through factors such as demand for bushmeat. A major phenomenon in this region has been the professionalisation of bushmeat hunting, using roads built for logging companies. Logging crews also generate large demand for meat, while the logging trucks often transport meat to the camps and to urban markets. Finally, fuelwood pressure from urban areas is another major source of forest pressure. Weak state systems and fragile economies have led to alternative survival strategies in cities, one reason for the reliance upon forest products. Traditional cultural attachments to the forest are also important. Poverty is an important factor: *"Poverty causes degradation, while degradation impoverishes."*

The CAR delegation commented that donors are sometimes inconsistent in what they are promoting: at one time agriculture was the key sector, later it was forests. How can one have a consistent policy?

Landrot (ATIBT) described the negative image of tropical forestry, which is often seen in terms of deforestation, poaching, repression of Pygmies, and so forth, especially in countries of northern Europe, where such things have a strong effect on the market. "Ridiculous exaggeration" of NGOs is commonplace. Roux (WWF/B) responded that in many cases these are accurate descriptions, especially with respect to links between logging and bushmeat hunting. Better ways need to be found to bring NGOs into the process of participatory management.

Nkoulou (Cameroon) stated that the countries already have policies on these issues, and shouldn't act as though they have come to the discussion with empty hands... The policies should be used as a basis for the discussion. We also need to realize the importance of agricultural research: people in the forest zone don't necessarily want to clear the forest, which is very hard work and not always so rewarding. They do it from lack of alternatives, and would welcome alternatives. Selebangue (ATO/OAB) noted that in some concessions, the policy has been tried of destroying roads to deter subsequent in-migration. With World Bank funds, guards were hired to prevent outsiders coming in to hunt; this is an example of a good approach. Mabala (Gabon) responded that this may be valuable but is not sustainable. What is needed is better long-term plans, better management, research, and agroforestry, as well as participatory management. NGOs would only talk but wouldn't be able to produce results.

Alain Karsenty (CIRAD-Forêt) presented a paper on forest economics (available on request), discussing the use of market mechanisms to move toward more sustainable management. Timber remains a strong factor in the region's economy, and accounted in 1996 for around 80,000 jobs. Demand remains relatively strong but in recent years there has been a trend toward increasing substitution, using for ex. a variety of engineered materials with excellent characteristics. The Congo Basin's forests are quite diverse, with widely varying prospects for economic exploitation. Despite the growth in local processing there is rising demand for raw logs, in part as a result of over-investment in plants (notably in Asia) which require a steady flow of logs for processing. Since such species remain available, the private sector is reluctant to invest in plantation operations except for fast-growing species for pulp. The rise of the Chinese markets is a major factor for the future, but it is not completely clear whether the Asian markets represent positive or negative factors. This brings about a shift in modes of exploitation, but not much is yet known about the consequences. Governments may see some advantage in increased competition, perhaps raising their timber royalties in response. But so far there has been no market response of increased local investment as some had predicted. The current financial crisis in Asia is already having an effect, and for example three large firms operating in Cameroon have ceased operations since the Asian stock market collapse.

There is also an important difference between the cycle of investment capital and the natural cycle of forest regeneration. Asian firms look for a high return on investment to justify the capital investment, but governments should not allow development options to be foreclosed by the immediate needs of today's exploitation. There may be future values of forest, unknown today, which are worth preserving, and resources other than timber: renewable energy, ecology, carbon-stocking, the rise of international markets for carbon-trading for example, and possible long-term markets for biotechnology. These all point to the need for a policy which recognizes "the economic value of prudence and conservation." These mechanisms may offer alternative ways for Congo Basin countries to generate revenue from their forests. For example, joint implementation mechanisms could support investment in plantation, funding conservation at the same time as low-impact harvesting. CIRAD is now doing economic studies on the potential of plantation forestry under such new market instruments. According to very early results of these

studies, a value of up to US\$750 per hectare could be attributed in terms of the carbon sequestration value of intact Central African dense forest.

Industrial strategies are another major issue for the forest sector. Here the issue is not so much value-added as it is the respective returns to capital and labor, and related topics, for example, under local processing there would be a greater revenue flow toward wages but less in profit and taxes. There is also a risk of over-investment, which has already taken place in southeast Asia, and irreversibility. The case of the Philippines offers an interesting option, however, in which decentralised small and medium-scale enterprises have been stimulated and produce a wide variety of goods (i.e. furniture) for the local market as well as for export. This yields a relatively high value relative to the raw material required. The log bans are probably a "false option," as protection of local industry leads to waste, low quality, and more volume of harvest required per unit of end-product. Perhaps an alternative might be quotas and auctions for log export rights? This would try to connect market mechanisms with the desired policy outcome. One could also use tax policy to favor local production and higher efficiency. By reforming the "rules of the game" and delegating management, in place of centralised management by the State, and more use of market mechanisms, better behavior can be encouraged rather than encouraging circumventing regulations as at present... instead of viewing fiscal policy as neutral, it should be environmentally-friendly. Other tools, such as certification, are uncertain... Certification is fragile, depends on confidence which is easily damaged by a few cases of scandal, which would turn the market away. The general approach should be to encourage market mechanisms which reflect scarcity, replacing taxes where possible... the key is to do better at less cost.

Drake (Canada) reminded the group of the current importance of climate change and the search for activities related to sources and sinks of carbon. Africa is absent from the debate, this needs to be in the training agenda of EDI. Africa's forests represent a prime carbon store and could be high on the international agenda. Djengo Bosulu (D.R. Congo) asked how one can reconcile conservation with timber exploitation given the destructive practices of the loggers in the region's very heterogeneous forests? Could one encourage the use of sawmill waste as a fuel, as has been tried in Zaire; this sawmill very successfully marketed fuel substituting for fuelwood and charcoal cut from the forest. Dondyas (Gabon) suggested that economic analysis should be done together with the local people, not just by outside specialists. The countries need more training in economics... generally the problem in the technical agencies is that they are staffed with technical specialists, such as forest engineers, but never have staff with training in economics or law, whereas Planning has no engineers... this leads to a severe compartmentalisation and inability to think about problems more broadly or coordinate with other agencies. Selebangué (ATO/OAB) added that managers need to be able to understand the system they are in charge of, and also need to see concrete examples of these approaches.

Y. Dubois (ATO/OAB) mentioned a study which showed that sapelli and ayous require secondary processing and larger production volumes to be profitable... this illustrates the risks of market instruments; there are wide variations in labor costs, national policies... Countries lack data on markets, but will need such data to manage these systems. At the same time, countries like Nigeria, which have a declining forest resource, are showing increasing share of plantation timber, which is important for local supply. Mabala (Gabon) added that countries will need political will to move toward local processing; so far there has been little progress. They will need help in establishing real industries which are not "façades." But the Basin countries should not remain simply purveyors of raw materials for the rest of the world, even recognizing they presently lack markets and technology. Karsenty (CIRAD) responded that countries can begin by raising the price of access to the resource. Swartzendruber (USAID) asked to what extent are

countries in position to introduce market mechanisms and to monitor the results such that these become national policy decisions and not something implanted by donors? What can donors do to help in this process? Ndomb (World Bank) noted that in Cameroon, the government only around 20 billion CFA of the 30 billion CFA in fees nominally generated by timber exploitation. In the face of these issues, the countries need real data and need to understand their long-term interests. Landrot (ATIBT) commented that certification "is built on a simple lie," that logging is linked to deforestation, which is not the case. Deforestation is due to other factors such as agriculture, not logging.

The chairman, Blanchet (EDI) asked whether REIMP/PRGIE is in a position to provide the data on timber prices mentioned during the discussion? Mamiah (REIMP/PRGIE) explained that the project is now starting, and will include a large set of activities including one on market prices, which had been requested by Cameroon. Landrot (ATIBT) responded that this was just "going in circles," since "it is we who would be providing you with the data." Nkoulou (Cameroon) observed that efficiency is the key to the issue of cost of access to the resource: there are some "scandalous cases" of firms having a processing efficiency of just 30%, with the remaining 70% of the timber wasted, even burned. In the past many industries were protected, and had no incentive to seek other markets or to improve their practices. Also, for these countries, certification is not only an issue for NGOs, but also a tool for management, and an instrument for evaluation of practices. Cameroon is monitoring the situation and doesn't exclude the possibility of a log export ban if the situation justifies it. The government would be prepared to approach the National Assembly on this issue.

Minister Sylvestre Naah Ondo (Cameroon) gave a presentation on Cameroon's forest sector, describing the background of the TFAP, going back to the donor meeting of 1989 from which many of the present policies evolved. A zoning plan is in place, and a forest fund is being established to help implement the long-term goals of forest policy. Landrot (ATIBT) responded by highlighting the contradiction in having agencies such as the World Bank ask countries to improve their environmental standards at the same time they are squeezing the countries to reduce costs and to maximise revenues. "*Il faut presser le citron*" is the exact term that has been used in the past by IMF and World Bank staff... There is also an issue which needs to be raised, which is the respective roles of CEFDHAC and ATO/OAB. The Gabon delegation responded that the donors should help both of these organizations, without a distinction based on some idea that as one is an NGO and the other a state body, one is therefore "good" and the other "bad." Ndomb (World Bank) reiterated that the Congo Basin countries need to be able to capture a greater portion of the value of the resource being exploited. Roux (WWF/B) commented on the present auction process in Cameroon, which lacks transparency... We need to know the terms of reference expected for concessions, and the process expected for them to move toward some form of "management" over three years. Certain roles surpass the technical competence of the operators, who are already responsible for roads, schools, clinics... How is this to be handled?

Hamel (French Cooperation) agreed that institutional roles will be critical in making a transition to managed systems, and that these management systems will need monitoring. An *appel d'offre* of two million hectares is sure to be on an avalanche of projects, and most won't be managed in the short-term; one needs to be realistic. Nkoulou (Cameroon) called for more cooperation and coordination between the private sector, government, and donors. This might help keep the World Bank from being over-focused on one issue such as debt repayment...

Djengo Bosulu (Dem. Rep. of Congo/RDC) gave a presentation on the forest sector in the former-Zaire (available by request). The RDC offered to host a future meeting of this group, and

indicated its support of initiatives such as the Brazzaville Process, regional efforts such as REIMP/PRGIE, ECOFAC and CARPE, and stronger forest sector cooperation between the Congo Basin nations.

Hamel (French Coop.) raised the issue of finding ways of harmonising the work of ATO/OAB and CEFDHAC. [It was noted during the meeting that most of the current funding for the ATO office will soon expire, and supporters are seeking a consensus on its mandate in the broader context before deciding on new funding arrangements. No decision on this issue was mentioned during the session.

The group discussed differences in the mandates of ATO (focus on commercial timber, Africa-wide) and CEFDHAC (conservation focus in Congo Basin region). The ATO may organise a subgroup for the Congo Basin region, and will probably focus more efforts on generating market intelligence and documentation on trends.] Nkoulou (Cameroon) noted that despite the recent outcry about Asian logging companies, he had visited one Asian logging company's concession and was "pleasantly surprised" at the technical quality of the work he saw in terms of level of organisation, strength of management, control of damage to surroundings, and that this was not what he had been led to expect.

The meeting then split into two subgroups to identify priorities and next steps. Swartzendruber suggested that the EDI program could focus on helping countries develop capacity and tools to assess policy options, for example the market instruments widely discussed during these sessions. This would enable countries to select and monitor policy approaches as a conscious decision, rather than feeling they are (reluctantly) implementing policies dictated by donors. A second focus should be, following the Canadian presentation, building capacity for the region to more effectively participate in global-level negotiations on climate change, biodiversity, and forestry, as they have been doing on CITES.

Swartzendruber also suggested that the EDI program faced a strategic choice: on one hand, the program could be oriented toward strengthening decision-makers' capacity to assess and select policies (a more neutral approach emphasizing process), or it could examine specific policies and work toward building a regional consensus on forest policy (emphasizing specific content). It could also take on related structural issues such as studying models of other regional bodies (e.g. UDEAC, CILSS, Mekong Basin group) and helping to clarify approaches which might be appropriate for the Congo Basin. Finally, in the discussion of study tour sites, in addition to places such as Southeast Asia and the Amazon Basin, it should be noted that there are interesting examples of innovative and participatory resource management in francophone Africa (Niger, Mali, Burkina Faso), admittedly not dense moist forest, but from which useful things might be learned at less expense and with fewer cultural/linguistic hurdles to overcome.

The group discussed the problem of ensuring that those working on forest policy realize the inter-sectoral nature of environmental problems; the agencies charged with forest management don't always have working relationships with other ministries which have an impact on the environment. Swartzendruber noted that this was precisely the benefit of the NEAP approach, which already existed in some degree in all the Congo Basin countries and offered a starting point for discussion of potential forest policy changes with a broad set of partners. Mabala suggested that in Gabon, the TFAP unit might be used as a base, and that this unit could find longer-term work as a monitoring and evaluation center for examination of forest sector policies, rather than disbanding once the TFAP process is complete. Bosulu (RDC) spoke of the need to ensure that interventions are realistic and feasible... For example, a large Canadian project had introduced high-efficiency charcoal kilns as a way of reducing waste in the woodfuel sector, but

it had turned out that a much more cost-effective approach involved use of a Brazilian-type earthen kiln which had slightly lower efficiency, at a fraction of the cost. FAO (Clement) observed that the EDI documents circulated to the participants failed to provide budget or level-of-effort information, making it impossible for the group to make any useful suggestions about the training or the study tours. FAO offered to help EDI with selection of sites and the curriculum for the training.

The final plenary session discussed the findings of the small groups, and discussed some remaining issues:

- the difference between decentralisation and participatory management; there are trends involving both of these but they are not necessarily the same and may have different requirements, implications, and results;
- the role of regional bodies such as ATO/OAB and CEFDHAC, which remain uncertain;
- the issue of conservation and biodiversity within the forestry agenda;
- the use of market mechanisms, the role of the private sector, and of NGOs;
- building negotiating capacity and providing for conflict resolution.

Ndomb (World Bank) summarised that the role of the EDI program should be to briefly cover some basic theoretical ideas and options, then to "confront these with reality," i.e. markets and politics, in the specific cases studied or visited, so that policy-makers can have a clearer idea of the strategic options available to them in their own context, and facing their particular constraints. "In this sense we are using the work 'training' in a misleading way... it is more awareness-raising for decision-makers."

M. Blanchet thanked the group for their participation and closed the session.

I met separately with Michel Massart, who recently returned to Brussels after working at University of Maryland under CARPE funding from 1995-1997. He is again based at Univ. of Louvain, and doing some work on behalf of the World Bank for REIMP/PRGIE. The meta-database activity at Univ. of Gent is apparently at a standstill due to departure of researchers and staff who had been doing the work, and he is not sure if it will continue. (Belgian assistance - bilateral- was not in attendance at the EDI meeting.) Michel maintains a link with CARPE and will ask UVa for access to the password-protected part of the CARPE Web page.

REIMP has produced a limited number of CD-ROMs containing scanned images of topographic maps of the Congo Basin countries; I was shown a copy of the CD-ROM (dated Sept. 1997) for Rep. of Congo. Copies were given to certain donors (e.g. Belgium) which had contributed to the REIMP preparation, but broader circulation is being delayed by failure, thus far, of the concerned governments to come to agreement on a policy for distribution and cost-recovery; he is not sure when we can expect this to be resolved. I pointed out that CARPE considered itself to have contributed to the project preparation through a share of his time which he spent on REIMP while based at UMD, and asked him to raise this with REIMP. The CARPE data policy group should also address this issue and ensure that participants are aware of any constraints or restrictions on information-sharing as this is a fundamental aspect of CARPE's involvement with many of its partners.

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