

Partnership approaches beginning to bear fruit in Gabon's forests

WWF China and WWF Gabon November 30, 2015

The Chinese company interest in Gabon stretches back to the 1990's and has steadily grown to a point where around 50% or approximately 6 million hectares of the production forest in the country are now managed by Chinese owned companies. With the growing influence of Chinese companies there is a growing responsibility to improve forest management practices, comply with forest and trade laws and to promote sustainable development.

Recent research¹ commissioned by WWF-China has indicated that efforts to engage the Chinese owned forest industry is beginning to improve conditions and performance amongst the forest products sector in Gabon.

- The area managed by Chinese that meet CFAD (with approved forest management plans) has increased by 384% from 818,932 ha in 2010 to 3,964,249 ha in 2015.
- Recently, one of the Chinese companies which manage about 330,000 hectares of forests is in progress to FSC certification.
- Twelve of the Chinese companies have made commitments to protect wildlife and improve the working environment and conditions for local employees in June 2014. All these companies are involved in timber harvesting and processing, and manage more than 4 million hectare of concessions in this country.

WWF has been able to build bridges across sectors, governments and other stakeholders through collaboration and relationship building in the past five years. Progress has been made by Chinese timber companies in Gabon indicating the health and potency of the relationship and WWF have built trust among

the multi-stakeholders through the WWF supported "Gabon-China Sustainable Forestry Roundtable". The Roundtable was initiated by WWF in June 2014 after three years of training and workshop delivery, and co-launched by both Chinese and Gabonese governments, WWF from both countries and Chinese forestry companies in Gabon.

Chequered history

The history of Chinese companies in Gabon has been a chequered one, with widespread reporting of routine breaches of forest laws. The report indicates that some of the Chinese companies in Gabon have evolved in the past decade and that attitudes amongst established companies have improved. Many established companies have long term plans to continue to operate in the country and have begun to value the forest resource due to its centrality to their business.

The log export ban introduced by the Gabonese government in 2010 has had profound changes to the forest industry in Gabon. Introduced

to promote industrialisation and to promote direct investment the ban itself has to a degree been successful. Log exports from Gabon have decreased to almost zero post the ban and the amount of investment and processing of timber in-country has increased. One of the effects of the log export ban has been the increased investment of Chinese companies in the country since 2010. Larger privately owned and state owned Chinese companies have newly established or increased their processing capacity. The opportunity has also attracted many smaller investors. These smaller investors have unfortunately not learnt the lessons of the more established companies and today cause concern through their willingness to ignore the law and to engage in corrupt practices.

Changing dynamics of Gabon's forests

Since 2010 there has been a growth in interest in certification and also in getting forest management plans approved. The future challenge will be to move the companies with

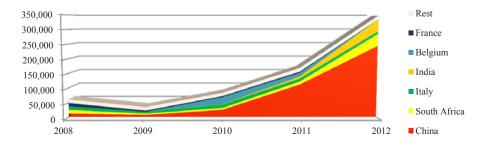


Figure 1: Gabon's exports of cubic metres of sawn wood 2008 – 2012. China continues to be the dominant market for all forest products exported from Gabon.

Management regime / ownershipii	2010 (Hectare)	2015 (Hectare)	% of Change 2015/2010
FSC certified (non-Chinese)	1,837,620	2,053,505	+12%
FSC certified (Chinese)			
FSC - progressing to certification (non-Chinese)			
FSC - progressing to certification (Chinese)		326,985	First case
CFAD approved management plan (non-Chinese)	1,614,644	2,881,857	+78%
CFAD approved management plan (Chinese)	818,932	3,964,249	+384%
CPAET - temporary licence (non-Chinese)	4,027,036	2,062,526	-49%
CPAET - temporary licence (Chinese)	2,025,881	1,635,973	-19%
Other licences	2,823,198	827,853	-71%
Total area (non-Chinese)	10,302,498	7,825,741	-24%
Total area (Chinese)	2,844,813	5,927,207	+108%
Total production forest area (all	13,147,311	13,752,948	+5%

Table 1 Comparison of the progress made by Chinese companies to Non-Chinese companies in Gabon from 2010 to 2015

temporary licences to long-term approved plans. Table 1 shows the overall progress made by Chinese companies comparing to non-Chinese companies in Gabon.

CFAD means an "approved management plan". It is a fundamental document to secure legal and sustainable forest management in Gabon. The companies with CFAD have spent considerable funds and normally three years of work to achieve it. The process includes a completed biodiversity assessment report, forest resource assessment, assessment of social and economic impacts, and eventually leads to a comprehensive forest management plan.

CPAET means "temporary licence" and forest managers with this licence have to achieve the requirements of CFAD within three years. Some of the companies who have not achieved CFAD status in this time have deliberately avoided their obligations through legal name changes at the end of the three years.

Game changing - collaboration is key

Five years of joint efforts have led to the establishment of a Roundtable in Gabon where Chinese owned concessions and sawmills are able to meet with governments from both China

and Gabon, as well as WWF to discuss common interests and issues.

It had been difficult to have an effective communication for both local government and the Chinese companies in Gabon because of the many barriers including language and culture. The Chinese companies felt that their voices have not been heard by local authorities, while the local government have had a hard time sending their message properly and effectively to Chinese companies.

After organizing several workshops and training, WWF found it necessary to develop a platform to improve the communication between the local government and Chinese companies. Meanwhile, WWF has helped to interpret the local regulations into Chinese and also introduced SFA's overseas forest management guideline to Chinese companies. With trust being built, the Chinese companies plus the local and Chinese governments have all agreed to establish the Gabon-China Sustainable Forestry Roundtable facilitated by WWF in June 2014. This should pave the way for responsible investment from China. The success of the first meeting and added value for China's State Forestry Administration (SFA) has ensured that SFA will attend a future Roundtable meeting in late 2015 and in 2016. The objective will be to ensure that more Chinese companies follow through with commitments made at the earlier meeting, and the platform will be formally recognized in an official document signed by all parties.

The forest resources of Gabon are vital to the future prosperity of the country and will prove central to its long term development. China's need for forest resources and long relationship with Gabon mean that it is also important for China's own long term prosperity that Gabon continue to produce forest products under an increasingly sustainable regime. Chinese companies' increasing role in the management of these forests and role as the main market mean that collaboration, such as that initiated by WWF is going to be key to a future positive outcome.

New dialogue – new hope

Three challenges remain for all parties in Gabon. The progress made with the Chinese companies must continue and begin to show viable alternative ways of working, in particular ones that can secure fulfilment of the commitments they have made. This must also increase levels of transparency and act as living proof of the effectiveness of China's guidelines for overseas forest management, trade, and investment. Whilst pointing the direction in which to travel there must also be major efforts to ensure that the smaller and poorer performing Chinese operators in Gabon are encouraged or forced to comply with the laws or regulations in Gabon.



Sources

Data for 2015 is also based on "Gestion durable des forêts au Gabon" – Presentation by Mr Simplice Nteme, Directeur du Développement des Forêts, Government of Gabon, Libreville, June 2014.

i White, George (October 2015) Chinese investment and its effect on the forests of Gabon. An independent report commissioned by WWF-China.

Data for 2007 is based on ITTO (ITTO (2011) Status of tropical forest management 2011- Gabon.

Data for 2010 is based on IUCN (IUCN (2011) Impacts de l'activité des entreprises chinoises dans la filière bois gabonaise.

Data for 2015 is based on WRI / GFW data with significant changes made following interviews in Gabon with key stakeholders.