For 20 years, the Congo Basin countries have been implementing policies aimed at the sustainable management of their forest resources and at poverty reduction. These policies target the major timber concessions, whose production is exported, but overlook the informal small-scale chainsaw milling sector, which supplies domestic and regional markets. Yet this sector has taken the lead in terms of the volume of timber produced and provides jobs and income.

At a time when States are increasingly urged to guarantee the legality – or even sustainability – of their production, it is urgent that they implement policies to ensure their small-scale chainsaw milling operations are more sustainable and to formalise the sector.

Over the last 20 years, the Congo Basin forest countries have developed and adopted forest policies with three goals: promoting the sustainable management of forest resources; contributing to growth in gross domestic product; and reducing poverty in rural areas. Over the years, and with the support of international donors, laws have helped to improve forest management methods. For example, in the Central African Republic (CAR), all concessions are now managed according to a forest management plan validated by the government authorities; and in Cameroon, 78% of concessions are managed in this way.

However, these policies primarily concern export-oriented industrial activities, and overlook small-scale production. Yet small-scale chainsaw milling, which is chiefly informal, has undergone rapid development to meet the demand for cheap timber in Central African countries and other nearby countries (Chad, Nigeria, Uganda, Sudan, Rwanda and Angola), as well as the interests of stakeholders all along the chain of custody.
Economic and social significance

Today, in the Central African countries, the annual volume of timber from informal chainsaw milling (around 1.1 million m³) consumed on domestic markets or unofficially exported to nearby countries is greater than that of timber from the industrial sector, as shown in Table 1. This situation nevertheless differs from country to country. In Cameroon and the Democratic Republic of the Congo (DRC), informal chainsaw milling accounts for 57% and 87% respectively of total timber production, and supplies rapidly growing domestic markets. However, in Gabon, small-scale chainsaw milling only covers 23% of needs, due to lower domestic demand. In the Central African Republic (CAR), this proportion reaches 34%, due again to limited demand and to the lower quality products supplied to markets by formal companies.

In addition to the volume of timber it produces, the informal sector also provides thousands of jobs in Central African countries. In Cameroon, around 45,000 people find their main employment in this sector, which is more than three times the number of direct jobs provided by the industrial timber sector (13,000). These include operators, transporters and prospectors in rural areas, and also traders and handlers in cities (around 4,000 in Yaoundé, Douala and Bertoua). In the cities of Congo, the CAR and Gabon, more than 1,000 people have jobs directly linked to the sale of small-scale timber production.

Table 1: Informal timber production has taken the lead in Central Africa

<table>
<thead>
<tr>
<th>Volumes of timber (m³) in 2009</th>
<th>Cameroon (Yaoundé, Douala, Bertoua)</th>
<th>Gabon (Libreville)</th>
<th>Congo (Pointe-Noire, Brazzaville)</th>
<th>DRC (Kinshasa, daily flow only)</th>
<th>CAR (Bangui)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal timber production for domestic markets</td>
<td>662,000</td>
<td>50,000</td>
<td>99,000</td>
<td>146,000</td>
<td>33,000</td>
</tr>
<tr>
<td>Informal timber production for unofficial export to nearby countries</td>
<td>60,000</td>
<td>0</td>
<td>0</td>
<td>&gt; 50,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Total informal timber production</td>
<td>722,000</td>
<td>50,000</td>
<td>99,000</td>
<td>196,000</td>
<td>39,000</td>
</tr>
<tr>
<td>Formal timber production (from industrial waste or small-scale permits) for domestic markets</td>
<td>198,000</td>
<td>20,000</td>
<td>10,500</td>
<td>Not estimated</td>
<td>34,000</td>
</tr>
<tr>
<td>Official exports of industrial timber</td>
<td>343,000</td>
<td>150,000</td>
<td>93,000</td>
<td>29,000</td>
<td>41,000</td>
</tr>
<tr>
<td>Total legal timber production (domestic consumption + official exports)</td>
<td>541,000</td>
<td>170,000</td>
<td>104,500</td>
<td>29,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Informal production / total production (%)</td>
<td>57</td>
<td>23</td>
<td>49</td>
<td>87</td>
<td>34</td>
</tr>
</tbody>
</table>

Source: Lescuyer et al., 2012.

The success of the small-scale chainsaw milling sector is down to its acceptance both by urban consumers, who gain access to low-cost materials – prices are three to four times lower than those of industrial timber –, and by rural stakeholders, who see it as a significant source of income.

Indeed, despite its informality and the illegal levies made on operators, small-scale chainsaw milling is a profitable activity, as shown in Figure 1, which summarises the cost price of the activity and the profit made by millers. This profitability is confirmed in all of the countries studied: the profit margin stands at almost 12% in Cameroon, the CAR and the DRC, and reaches 18% in Congo, and even 30% in Gabon.

In addition to the profits earned by village-based rural millers, a considerable proportion – or even the majority in Cameroon and Gabon – of costs generated by small-scale chainsaw milling provides income for...
The States are the main losers in the development of small-scale chainsaw milling, which goes against their strategy of formally managing and taxing forest resources. In addition to foregone tax revenue, small-scale chainsaw milling could compromise their efforts to sustainably manage forests. Indeed, the environmental impact of this sector is a source of concern, even if small-scale millers argue that timber resources are not being depleted. Although at the scale of the Congo Basin, small-scale informal chainsaw milling cannot be systematically associated with a rapid degradation of forest resources, the situation differs from country to country. In Cameroon and Gabon, small-scale chainsaw milling is most often carried out in the agro-forestry zone granted by the State to local populations to conduct their activities, and not in the permanent forest estate, which is further away. However, in Congo and the DRC, it is often carried out in forest reserves, for two reasons: first, the depletion of several tree species, such as the okoumé in southern Congo; and second, the search for large trees providing long timber products to meet urban demand, as in the Eastern Province of the DRC. In-depth studies are needed in order to determine the impact of small-scale chainsaw milling on forests.

Small and medium forest enterprises would also benefit from the formalisation of small-scale chainsaw milling; they are unable to access domestic markets because their selling prices are higher than those of illegal products. Finally, the majority of individual millers hope to see the sector formalised in order to obtain legal permits, and thereby avoid extortion and threats from certain State agents and elites. Indeed, very few millers have official logging permits. Legal frameworks do provide for small-scale logging permits authorising the felling of a limited number of trees. But these are either incomplete or unsuitable – being too technical, too centralised or too costly – to the needs of small-scale millers, which explains why they are rarely requested. Millers therefore come to agreements with the customary owners of trees, and sell their products directly on urban markets.
A few words about…
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Reform, incentives and sanctions
In order to professionalise and formalise the sector and to improve its contribution to the national economies, many challenges lie ahead, requiring a combination of incentive and coercive measures.

The priority is to facilitate the issuance of official permits to small-scale millers, which requires the development of legal frameworks adapted to suit the needs of these actors. In this respect, the creation of decentralised logging permit systems is a first stage.

Second, the reform should aim to improve the institutional context in which small-scale millers operate. Incentive measures aimed at government officials could be created – for example bonuses according to the number of small permits delivered and controlled. Alongside incentive measures, governments should also establish and apply effective sanctions for agents found to be demanding unofficial payments, in order to improve the global governance of the sector.

The time is right to begin these reforms: several Central African countries have signed voluntary partnership agreements (VPA) with the European Union, aimed at legalising national timber production. How can they take advantage of the sustainable management of tropical forests if the majority of chainsaw milling still takes place within the informal economy? <

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The findings have led to several publications:

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