



RECOMMENDATIONS

- Development partners and programmes that deal with issues of trade and sustainable development in the eastern DRC and Uganda should use the ICGLR as a platform for communication and co-ordination.
- Organisations working to promote regional integration in East Africa and the Great Lakes – such as TradeMark East Africa – should include South Sudan and the DRC (specifically the eastern DRC) in their programmes and strategies.
- Lessons should be learnt from the narrow, bottom-up approach to regional co-operation of the Albertine Rift Strategic Planning Process and from its related institutions. The UFWG is encouraged to link up with the ARCOS regional NGO network.
- Uganda should initiate better regulation of its timber sector. The promotion of plantation forestry in Uganda should be encouraged as a means to address the country's timber shortage. Those working on Uganda's timber certification scheme should ensure that it is compatible both with the schemes of its neighbours in the EAC and with that of the DRC.

The Timber Trade in Africa's Great Lakes: Implications for Uganda and the Region

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EXECUTIVE SUMMARY

Most of the timber traded in Africa's Great Lakes originates in the eastern Democratic Republic of Congo and either ends up in Uganda or transits through Uganda to the region. This trade is set to expand, largely driven by a growing regional and international demand. It is a difficult trade to regulate, in part because it involves many small- to medium-scale operators and in part because the lines that separate the formal trade from the informal and the illegal are not clear cut. Less is known about this regional trade than about the global timber trade and it is also less well regulated. The briefing is based on a larger report² that discusses the international, regional and local dimensions of the timber trade in this region, and focuses specifically on demand-side factors driving this trade. Here lessons are extracted from the larger report for policymakers in Uganda and the region.

INTRODUCTION

There is a largely one-sided trade in tropical timber from the eastern Democratic Republic of Congo (DRC) to and through East Africa. Most of this timber either ends up in Uganda or transits through Uganda to the region. The trade is driven both by an abundant supply of timber from the Congo Basin, which is home to around one-quarter of the world's remaining tropical forests, and by a growing demand in East Africa and beyond. Despite its significance, the regional timber sector is less studied and also less regulated than the international sector. This leads to the challenge of harnessing this trade for the sustainable development of the

DRC and the region. The briefing highlights the implications of the trade for regional stakeholders in the Great Lakes as well as for those in Uganda.

Those concerned about the sustainability of timber flows from the DRC should acknowledge the fact that much of this flow is regional. Because this flow differs from the international flow, it requires different solutions. For one thing, the international community has less leverage over this trade compared with the international trade. Improving this can be tackled through initiatives like the US Lacey Act Amendment (2008) and the EU-supported Forest Law Enforcement, Governance and Trade (FLEGT) and Voluntary Partnership Agreements (VPAs). Even so, the forestry sectors in all these countries continue to rely heavily on donor funding, often from the same partners (Norway, for example). Development partners continue to wield influence over domestic forest governance in countries like the DRC and Uganda. In addition, co-ordination and communication among development partner staff and programmes in neighbouring countries – and in this case specifically between those working in forestry and trade in the DRC and Uganda – is encouraged. One of the benefits of institutions like the Congo Basin Forest Partnership (CBFP) is that it allows for the co-ordination of development partner responses. The CBFP, however, does not include Uganda. The International Conference on the Great Lakes Region (ICGLR) is sometimes described as top-down and donor-driven. Despite the negative connotations inherent in this description, one of the main potential benefits of the ICGLR is that of development partner co-ordination on issues affecting this region, including on trade and sustainable development.

Development partners are not the only actors that need to improve communication and co-ordination. The same is true for other stakeholder groups in the DRC and Uganda. Communication and co-ordination is hindered by the fact that the DRC is generally regarded as part of francophone Africa and Uganda as anglophone. Even before the anglo/francophone divide, the Albertine Rift Valley has served as an ecological frontier. In addition, years of war and conflict

have soured relations between the two countries. Despite this, the Albertine Rift and Great Lakes region has long been a centre not only of conflict but also of commerce and interaction. One initiative that has managed to harness the local-level interaction and co-operation in this region is the Albertine Rift Strategic Planning Process. This process started as field-level co-operation between the protected areas' agency staff of Rwanda, Uganda and the DRC. It continued during the wars and has built up momentum over time. There are important lessons to be learnt from the narrow, bottom-up approach to regional co-operation exemplified by the Albertine Rift Strategic Planning Process and its related institutions. This process also deals with a sector related to forestry (and timber), namely conservation. Stakeholders working on the forestry sector (and the related trade in timber) are encouraged to link up with this process. In particular, the Uganda Forest Working Group (UFWG) – which plays an important oversight role in the Ugandan forestry sector – is encouraged to link up with the Albertine Rift Conservation Society (ARCOS) regional NGO network. ARCOS equally provides a platform through which government departments and international NGOs working on conservation and forestry issues can share information or collaborate.

The timber trade in the Great Lakes region builds on patterns established by centuries of flow of goods and people. As was the case with other commodities in the past, today the trade in tropical timber results in profits for a small group of middlemen and traders (often in complicity with state officials), while leaving a large group of small traders and rural poor at the base. Even more so than in case of domestic trade, making a success of the regional timber trading business in this volatile region requires people who can 'make things happen'. The middlemen who play this role derive their power neither from ownership of the resource nor from their ability to add physical value to the timber. Instead, they control the trade through their access to market information and credit, and often through their connections or relations with other actors (including law enforcement personnel). The higher up these

relations go, the more power can be derived from them. If nothing else, those who are connected benefit more because they can undercut others in price. One of the ways in which timber traders in Uganda have dealt with this uneven playing field has been to form associations. Associations can provide a form of 'social capital' for those who are part of patronage networks. Other benefits of association membership can include information sharing, the raising of capital and advocacy or lobbying. If associations become strong enough, they could even cut out the need for many of the middlemen. Furthermore, associations often set standards and codes of practice. User group associations have the potential to promote fairness and equity within stakeholder groups involved in the timber trade. The formation of these groups should be encouraged. More research on associations, and specifically on their governance implications, is recommended.

In the broader trade context, trade facilitation like that channelled through the transit corridors will have an impact on the trade dynamics. Improvements in infrastructure along the Northern and Central Corridors will facilitate access to the eastern DRC's forests – a reality acknowledged with some trepidation by those who advocate for their conservation. However, the full implications of facilitated trade on the timber sector have not been explored in any great detail in the report on which this briefing is based, or elsewhere. Closer scrutiny may well reveal that the regularisation of trade along this route will address some of its problems related to the illegal trade. For instance, simplifying and computerising some of the customs procedures could lessen the number of 'human contact points' in the chain and, with it, opportunities for irregularities such as bribes. It is recommended that a study be conducted on the probable impact of measures aimed at trade facilitation (in the context of the Northern and Central Corridors and the trilateral framework of the Southern African Development Community–East African Community–Common Market of Eastern and Southern Africa, or SADC–EAC–COMESA) in the formal and informal timber trade in the Great Lakes. Organisations that work to promote

regional integration in East Africa and the Great Lakes – TradeMark East Africa, for instance – are encouraged to include South Sudan and the DRC, specifically the eastern DRC, in their programmes and strategies. Work on regional integration, such as trade facilitation in East Africa, has already led to improvements in customs co-operation through such initiatives as the establishment of one-stop border posts. With time and in the context of the trilateral SADC–EAC–COMESA framework, these initiatives are set to expand also to the DRC.

The regional demand-side (ie Uganda and the rest of the East African region) could also learn from the international timber trade. China's realisation of its vulnerability from the depletion of its own forests and the resultant dependence on imported timber has resulted in strict regulation of its domestic timber sector. The country's timber importing and production industry also faced reputational risks raised by the publication of a series of alarmist reports in the early 2000s. One of the ways in which China has tackled these challenges is by the launching of an ambitious tree-planting and plantation programme. In the same way, Uganda should initiate better regulation of its timber sector. The promotion of plantation forestry in Uganda should be encouraged as a means to address the country's timber shortage. This will lessen the pressure both on the country's own timber resources and on that of its neighbour, the DRC. The timber shortage in Uganda and the region should translate into opportunities for investment in the forestry sector. Although some investment has taken place, it is not to the extent that it could have been. There are different reasons for this, one of which relates to the uneven playing field for those involved in the timber trade. In Uganda, domestic timber has also been less competitive than it should have been, in part owing to the dumping of foreign timber on the market. Here, too, Uganda could learn from the international example: in both the EU and the US, the private sector has been at the forefront of calling for a better regulated global timber sector, arguing that it would help to protect their domestic industries from cheap and/or illegal imports.

In developing its domestic timber certification system, Uganda should look to international and regional examples. This is important not only for lessons, but also for ensuring that the standards are compatible. Trade, by definition, moves across boundaries. Uganda is encouraged to ensure that the timber certification, which is in its early stages of development, is compatible not only with those of its neighbours in the EAC, but also with the DRC. Those working on this issue in Uganda could contact accredited certifying companies, such as the SGS – the Swiss inspection, verification, testing and certification company that was recently appointed by the DRC to assist in the oversight of its timber sector.

Finally, the forestry sectors in the countries of East Africa face similar challenges and are encouraged to learn lessons from one another. One such example is the Mama Msitu campaign against illegal logging and timber trade in Tanzania³ – a successful civil society campaign that could provide lessons for Uganda's UFWG and Forestry Governance Learning Group. This

campaign could in turn learn from the Ugandan groups.

ENDNOTES

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- 2 Chevallier R & M du Preez, *Timber Trade in Africa's Great Lakes: The Road from Beni, DRC to Kampala, Uganda*, SAIIA Research Report, 11. Johannesburg: SAIIA, 2012.
- 3 Domingo P *et al.*, *Lessons on Accountability in Forest Governance: The Mama Msitu Campaign against Illegal Logging in Tanzania*, ODI (Overseas Development Institute) Project Briefing, 57. London: ODI, 2011, pp. 1–4.

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