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**Sustainable Forestry in the Democratic Republic  
of Congo  
The way out of poverty and conflict**



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**The way out of poverty and conflict**  
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## **Introduction**

In 2004, an article submitted to the Journal of Human Rights and Peace in the Great Lakes Region opened by declaring: "*natural resources play a decisive role both during and after an armed conflict*"<sup>1</sup>. At one level the article observed that people living in resource rich conflict zones often suffer some of the worst human rights violations that take place on earth. At another level, it argued that precisely the scale and severity of these violations have set in motion a range of rights based approaches such as the 'Kimberley process' and a landmark ruling by the International Court of Justice that the enjoyment of natural resources by civil society is an integral part of the right to self-determination<sup>2</sup>.

After a tragic and destructive war, peace is in the process of returning to the Democratic Republic of Congo (DRC), even if the process is far from smooth<sup>3</sup>. The restoration of individual and collective security is currently an issue of the highest priority, i.e. the construction of a foundation upon which economic and environmental development programmes can rest. Both the World Bank and the Dutch Government have recently made attention for so-called 'fragile states' a key priority within their development assistance frameworks<sup>4</sup>. The most immediate issue at hand is of course to maintain peace, which could be seen as a 'narrow' interpretation of human security.

However, the deep vulnerability generated by war needs to be replaced by security that goes much further than the absence of war: it needs to hold the promise of sustainable livelihoods for the poor based on entitlements to basic resources and it needs to be based on the careful management of the rich environmental heritage in the country.

## **Background: Forest management in DRC**

Forests cover about sixty percent of DRC and form the major part of the second largest tropical forest in the world, after the Amazon. Besides their crucial role in the conservation of the global environment, the forest lands are critical to the livelihood and cultural identity of about 40 million people, including large numbers of Pygmy people. The forests were paradoxically mostly spared 'thanks' to the war. With the return of relative peace and the installation of a democratically elected government in 2006,

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<sup>1</sup> Kwokwo Barume, A (2004)

<sup>2</sup> The 'Kimberley process' is part of an international drive to stop diamonds fuelling conflict.

<sup>3</sup> The war formally ended in 2003 with a peace deal and the formation of a transitional government, but the threat of civil war remains, especially in the eastern provinces.

<sup>4</sup> Koenders, B. (2007 A). Also: Zoellick, R. (2008)

however, the DRC's resources are currently being opened up to international business. The natural resources sector has been identified as a means of kick-starting the collapsed economy, but its success depends very much on how this is done.

In a country where the informal sector accounts for more than 80% of economic activity<sup>5</sup>, the small relative importance of timber production in relation to total economic value produced from forests may not come as a surprise. The value of firewood, bush meat, forest fruit, honey, medicines and other non-timber forest products (NTFP), is around US\$2 billion per year, compared to US\$ 160 million for timber production.<sup>6</sup> It follows that the central thrust of any poverty alleviation or natural resource management efforts should therefore be based both on the informal sector and on the entitlement relationships between people and forest resources. Lack of financial resources should not constitute an impediment to the promotion of community-based natural resource protection and management.<sup>7</sup>

### **World Bank involvement in DRC's forestry sector**

In the 1990's, as war broke out in DRC, triggered by the control over natural resources, resulting in the suspension of World Bank lending to DRC. In 2001, the World Bank re-established its links with the DRC government and resumed lending, becoming the largest contributor to DRC's post-conflict restructuring and development. This makes the Bank an important player, with leverage to influence the country's policies.

Since 2002, the forest sector in DRC has been one of the World Bank's priority areas. The Bank advised the Congolese government to cancel forest concessions that had expired or were obtained illegally during or prior to the civil war. It was also the main instigator of a logging moratorium and a legal review of all remaining concessions.<sup>8</sup> A new Forest Code was introduced in 2002. However, a 2007 Greenpeace report entitled *Carving up the Congo* placed critical comments with regard to World Bank involvement in DRC's forestry sector. This report concludes that, due to a lack of enforcement, the moratorium has actually been a cover for behind-the-scenes jostling for valuable forest holdings. Greenpeace questions whether the World Bank and the Congolese government really have the political will to crack down on corruption and the laundering of illegal contracts.<sup>9</sup>

### ***The Inspection Panel report***

In December 2005, indigenous Pygmy groups submitted a complaint to the World Bank's Inspection Panel stating that, in contradiction with its own policies, the Bank did not consult the local population when designing

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<sup>5</sup> <http://www.heritage.org/index/country.cfm?id=CongoDemocraticRepublic>

<sup>6</sup> The Inspection Panel (2007)

<sup>7</sup> African Development Bank/ African Development Fund (2004), p.21

<sup>8</sup> Frequently asked Questions – Forests in the Democratic Republic of Congo, [www.worldbank.org](http://www.worldbank.org)

<sup>9</sup> Greenpeace (2007)

forest sector reforms in DRC. The evaluation report by the Inspection Panel released early 2008 points out that indeed, the projects financed by the Bank have encouraged a one-sided focus on reform of the forest concession system at the expense of pursuing sustainable forest uses. In its decision-making, the World Bank underestimated the non-timber values and uses of the forests, benefiting foreign logging companies to the detriment of input by local people, according to the Panel.

Moreover, the report indicates that given the limited surveillance capacity of the DRC administration, it is difficult to monitor the implementation of the concession system. As Global Witness points out, NGOs have repeatedly complained that the Bank's approach to forestry in countries with poor governance would be socially and environmentally damaging. These criticisms have now been confirmed by the Panel's report.

In a reaction to the report, The World Bank presented an Action Plan, aiming to *"integrate forest-dependent communities, including Pygmies, more widely into the Bank's activities in DRC, and support critical activities such as capacity building, participatory zoning, customary laws, law enforcement and independent monitoring in forthcoming forest-related operations"*.<sup>10</sup>

### **Forestry in a Fragile state – the Dutch focus**

When he took office in 2007, the Dutch Minister for Development Cooperation, Bert Koenders, included fragile states among his key policy priorities. Fragile states are characterised by governments that are incapable of assuring basic security for their citizens, fail to provide basic services and economic opportunities, and are unable to garner sufficient legitimacy to maintain citizen confidence and trust.<sup>11</sup>

According to Koenders, *"the over-concentration on the concept of good governance as a precondition for development cooperation has impaired our ability to engage in places where aid is most needed"*.<sup>12</sup> In contrast to his predecessors, Koenders no longer wants to make good governance a precondition for engaging in a bilateral development relation. In this context, the Great Lakes region is one of the priority regions of Dutch foreign policy. DRC and other countries in this region belong to the poorest in the world; they lag behind in attaining the Millennium Development Goals; and there is a persistent danger of falling back into a state of armed conflict.<sup>13</sup>

DRC could be seen as a test case of Koenders' policy focus. The minister recognises that engagement in fragile states is not without risk. As mentioned before, serious doubts exist as to whether the government of DRC has the capacity to deal adequately with the management of logging

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<sup>10</sup> World Bank (2008)

<sup>11</sup> Brinkerhoff, D.W. (2007)

<sup>12</sup> Koenders, B. (2007 B)

<sup>13</sup> Koenders, B. (2008)

companies. In this context, while important, industrial logging serves only the formal economy, which represents no more than 20% of the Congolese population. According to Both ENDS, this risk can only be mitigated by guaranteeing inclusive economic development. In a country where natural resources play a central role in fuelling conflict, it is a prerequisite for lasting peace to make sure that access to and sustainable exploitation of natural resources is at the heart of a solution. This requires an explicit focus on the 80% of the population who are dependent on the informal sector.

## **FLEGT – EU involvement in Forestry in developing countries**

One step in the direction of promoting good governance in forestry could come from an EU mechanism aimed at clamping down on illegal logging and illicit timber trade, already under discussion in several developing countries, such as Ghana and Malaysia. The EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) promotes licensing schemes to ensure that only legal timber enters the EU. DRC has expressed interest in becoming involved in FLEGT.<sup>14</sup> One of the main objectives of the scheme is to “*strengthen effective participation of all stakeholders, notably of non-state actors and indigenous peoples, in policy-making and implementation*”.<sup>15</sup> DRC’s participation in FLEGT could therefore become a tool to push for better governance in the sector and for proper mapping of indigenous uses of forest lands and subsequent recognition of indigenous peoples’ property rights.

In this respect, it could complement a push for more participation propagated by the World Bank in its reaction to the Inspection Panel’s report and to the Dutch policy of supporting development in fragile states. In a study commissioned by FERN, however, attention is drawn to the extraordinary efforts which will be required to ensure that there is proper representation of civil society organisations and all the legitimate stakeholders in DRC’s forests.<sup>16</sup>

## **A suitable model for economic exploitation of DRC’s forests?**

As a joint report by the World Bank and NGOs points out, industrial timber production has a poor track record in Africa.<sup>17</sup> The report states that “*over the past 60 years, there is little evidence that [industrial logging] has lifted rural populations out of poverty or contributed in other meaningful and sustainable ways to local and national development*”. In DRC itself, Greenpeace has uncovered gross tax avoidance by logging companies in 2005 and a total absence of redistribution of tax to local authorities between 2003 and 2006, a direct breach of the Forest Code.

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<sup>14</sup> [http://ec.europa.eu/external\\_relations/library/publications/36\\_working\\_peace.pdf](http://ec.europa.eu/external_relations/library/publications/36_working_peace.pdf).

<sup>15</sup> Council of the European Union (2003)

<sup>16</sup> Counsell, S. (2006)

<sup>17</sup> Debroux, L., et al. (2007)

This seriously undermines the Bank's argumentation for the current model of large-scale industrial logging concessions. We argue that the key to poverty alleviation and security in DRC lies in strengthening the important informal sector. This is linked to central issues of trade and non-trade concerns. Growing evidence shows that disproportionate emphasis on financial and economic viability of investment decisions may lead to severe social unrest, conflict and unsustainable development in the long-term.<sup>18</sup> Economic development should not take place at the expense of environmental and social aspects.

DRC is under pressure of tempting offers by economic partners such as China, to rapidly open up its natural resources. It is undeniable that proposed trade and investment agreements are supposed to bring substantial financial returns to the country. At the same time, such deals are accompanied by serious foreseeable and non-anticipated risks. Risks which may undermine the peace process and the essence of gradual but equitable development in DRC.

For forest management to be conducive to the cause of security and secure livelihoods for its citizens, it is essential that DRC is supported in weighing the costs and benefits of these crucial decisions – thereby taking into account alternative economic scenarios. It is of great importance that the EU's immediate and future decisions concerning DRC are in line with the European Consensus on Development, as it reads: "*The EU shall take into account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries. (art 38)... We will assist developing countries in implementing the Multilateral Environmental Agreements and promote pro-poor environment related initiatives*".<sup>19</sup>

## **Policy recommendations**

Both ENDS recommends that DRC's forest management is organised in a way that:

- Benefits a large group of people who depend on the forests for their living, using inclusive and participatory models (in line with the Inspections Panel's recommendations);
- Supports processes that strengthen the voice of civil society organisations with regard to the steps needed to rebuild peace and process claims on natural resources;
- Participatory zoning processes lay the foundation for balanced forest management;
- Enhances the capacity of the Congolese Forest services to enforce rules on the ground;
- Incorporates DRC into the FLEGT process as a matter of priority;
- Supports local groups in exploiting NTFP in a sustainable and commercially sound way.

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<sup>18</sup> African Development Bank/ African Development Fund (2004): p.21

<sup>19</sup> Council and representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission (2006)

## **The role of Both ENDS**

Both ENDS is a mediator between social organisations all over the world specialised in ecological sustainability and social justice and policymakers in the Netherlands, the EU and multilateral institutions. Our MFI Information Centre monitors international financial institutions, aiming at their reform and the increase of environmental performance, accountability and transparency. Within this framework and given the context of the Congolese forest sector, Both ENDS has organised three political cafes on this issue since 2006.

In close cooperation with local partners, Both ENDS was one of the instigators of the NTFP Exchange Programme, an Asian-wide network specialising in non timber forest products. It supports the network in reaching out to other continents, like Latin-America, and in strengthening the NTFP sector as a viable income-generating alternative.

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