

NOTES FROM THE WOODLANDS:

an overview of key findings from TRAFFIC and WWF timber trade studies in East and southern Africa between 2013 and 2016

Kahana Lukumbuzya and Simon Anstey



INTRODUCTION

Over the past three to four years there has been a growing number of studies on timber trade dynamics in East and southern Africa, covering the Democratic Republic of Congo (DRC), Kenya, Mozambique, Tanzania, Uganda and Zambia. TRAFFIC and WWF have led several of these with the aim of providing information to advise action by policy- and decision-makers and key stakeholders. These studies (see Fig. 1) share significant lessons to be learnt across the region, as well as between countries sharing similar profiles with respect to their roles in the trade of timber.

Since 2012, intra-regional trade in natural forest timber and in softwoods from plantations, as well as domestic timber consumption, has been increasing and in some cases is now exceeding exports. Governments have entered into bilateral Memoranda of Understandings (MOUs) and regional declarations or protocols to increase opportunities for applied actions and to enable a sustainable timber trade by regional and national actors.

This paper presents an overview of the findings and trends identified during the course of these studies (e.g. Chenga and Mgaza, 2016; Lukumbuzya and Sianga, 2016a,b), using data from forestry services, Customs and revenue authorities in the region and the United Nations Commodity Trade Statistics Database (UN Comtrade), and at fora organized by TRAFFIC and WWF since 2013 (Davie and Sulle, 2013; Masuka *et al.*, 2015; Revenaz, 2016). This work forms part of TRAFFIC's strategy to tackle illegal timber trade in Africa (e.g. Anon., 2015a,b).

The usefulness of these data is nevertheless limited by the unreliability of export data from the Customs departments in the region. In such cases, discrepancy analyses using various data sources, e.g. UN Comtrade, while not perfect, are required, especially for import data from countries in the region.

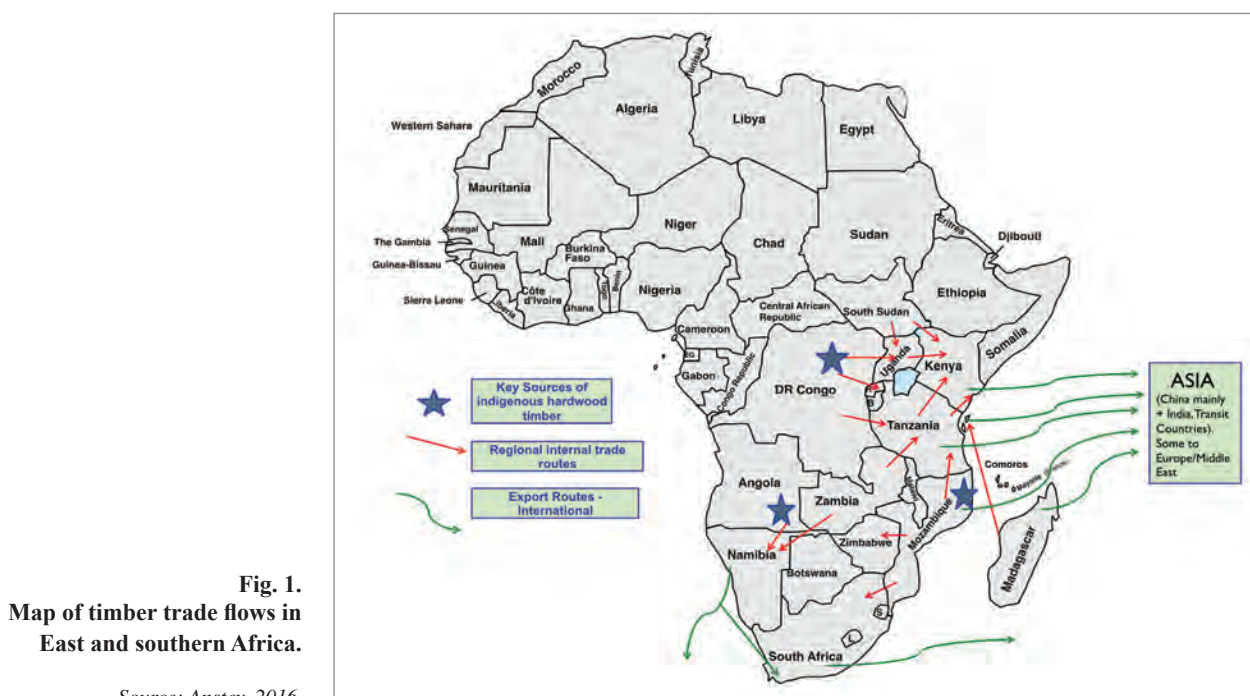
THE ISSUES

Regional natural forest context

Forests in East and southern Africa are declining by about 1% per year (Lukumbuzya and Sianga, 2016a). However, reliable figures are difficult to obtain because forest inventories are either outdated, unavailable or lack sufficient detail (e.g. Anon., 2010), which limits their value in determining sound forest management plans. Despite institutional reforms in the forestry sector of the different countries of the region to tackle high deforestation rates and weak revenue capture, the domestic laws are weak and regional protocols are not fully adhered to, and enforcement efforts have proved to be inadequate (Lukumbuzya and Sianga, 2016a).

Trade flows

Trade in natural forest timber is increasing overall in the region, fetching hundreds of millions of US dollars over the last 10 years (Anon., 2016). A typical northern timber trade route begins in the forests of the eastern DRC, supplying timber to Uganda, Kenya, Tanzania, and international markets through Mombasa Port (e.g. Chevallier and du Preez, 2012). A southern trade route usually centres on the port of Dar es Salaam, with timber coming from Northern Province in Zambia, and Niassa and Cabo Delgado Provinces in Mozambique (e.g. Hall, 2014). Zambian natural forest timber also crosses the border into Mozambique for onward transport to China, through the Port of Beira. There is also anecdotal evidence and information that natural forest timber from the DRC, Zambia and Mozambique is exported in significant volumes to South Africa (Fig. 1).



Trade flows exports and import

Customs in the region generally lack the capacity to administer, monitor and control timber trade and such action in this respect is not a priority (Weng *et al.*, 2014). This facilitates smuggling, misdeclaration of products and falsification of supporting documents. Moreover, export data from the Customs departments are generally unreliable, and show discrepancies with other data sources, e.g. UN Comtrade (Lukumbuzya and Sianga, 2016a). This prevents sound analyses of trends in forest trade.

Exports to China

Exports of timber to China have been increasing rapidly over the past recent years, with species featured in China's National Rosewood Standard and valued for use in high-end furniture *Swartzia madagascariensis*, *Baphia kirkii*, *Millettia stuhlmannii*, and *Pterocarpus tinctorius* (Sun, 2014; Lukumbuzya and Sianga, 2016a). Mozambique, Africa's fourth-largest timber exporting country to China, has increased by seven times its exports to China over the last ten years, mainly in the form of logs and sawn wood (Anon., 2014a), though since a ban imposed in 2015 on the export of logs from Mozambique and economic changes in China, this has shown a recent downward trend.

Exports within the region

Within the region, Mozambique has been the largest timber exporter in the time period covered here (2013-2016). Zambia exports mainly to DRC and South Africa (Anon., 2014b). The eastern region of DRC exports nearly 90% of its production to countries within East Africa, particularly to Kenya, South Sudan and Uganda (Anon., 2012). Tanzanian imports of DRC timber have risen tenfold in the last five years (Lukumbuzya and Sianga, 2016a). Kenya exports significant volumes of its manufactured wood products based on plantation softwoods to Tanzania and Uganda, and is a significant importer of natural forest timber from Tanzania. Some of these imports are part of a transit trade that centres on the port of Dar es Salaam, with some being shipped in dhows from illegal or informal ports on Tanzania's Indian Ocean coast to Zanzibar, where international timber trade is often illegal and difficult to investigate (Chenga and Mgaza, 2016).

Domestic consumption

The domestic consumption of natural forest timber in the region, while not properly monitored, and in some cases not monitored at all, is estimated to amount to more than ten times by volume the amount of timber that is exported internationally (Lukumbuzya and Sianga, 2016a). Species such as *Pterocarpus angolensis*, *Khaya anthotheca*, *Entandrophragma cylindricum*, and *Azelia quanzensis* dominate the domestic markets in the region. Coniferous sawn timber and eucalyptus electricity poles make up the majority of these regional/domestic forest product imports in terms of volume. Almost all of the countries in the region have invested in the establishment of softwood and eucalyptus plantations. However, the

major sources of the products derived from this timber are South Africa, Malawi, Uganda and Tanzania. Most of the countries in the region, but especially Kenya and South Africa, also import from within the region processed forest products, mostly paper, plywood and fibreboards, furniture, doors, fittings and joinery. China and India are major providers of these products for the region.

Private sector views

Harvesting and processing in the region is largely unregulated and fragmented. This challenges authorities on how best to ensure sustainability. Most forestry departments in the region do not routinely monitor the development of the private sector, and so records of the number of enterprises, the levels of employment, the volume of raw materials consumed, and the revenue turnover and taxes paid by forestry companies are largely unavailable. Within the private sector, there is widespread frustration with governments' management of the forestry sector, and increasing calls for the auctioning of harvesting licences to promote transparency, revenue capture and ultimately sustainability in the sector (e.g. Lukumbuzya and Sianga, 2016b)

RECOMMENDATIONS

Areas for intervention by the East African Community (EAC) and the Southern African Development Community (SADC)—International regulations and initiatives

Governance issues require the attention of stakeholders dealing with a broad range of topics including financial integrity, politics, corruption and ethics. Governments in the region should be encouraged to participate more fully in multilateral processes that can facilitate broader inter-, intra- and non-governmental participation in forest management.

For instance, the provisions of the EAC and SADC on forest management and forest products trade should be strengthened. The EAC and SADC Secretariats should develop reporting standards, establish a regional database, and make information publicly available.

Likewise, multilateral regulation through the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) should be improved. Countries that are party to CITES could explore the pros and cons of listing the timber species traded internationally that are most at risk as a means to ensure sustainable trade and legality. Species that could be considered for such listing include *Millettia stuhlmannii*, *Swartzia madagascariensis*, *Baikiaea plurijuga*, *Baphia kirkii* and *Pterocarpus tinctorius*. Likewise, governments in the region should be encouraged to participate more fully in international policy developments such as the European Union's Forest Law Enforcement, Governance and Trade (EU-FLEGT) Action Plan (Anon., 2014c), or the China—Africa Forest Governance Learning Programme (Anon., 2015c).

Governments should be encouraged to advise their Customs agencies to accept the official export declaration forms issued by Customs of the exporting

country as supporting documents to be verified during importation of timber products in cross-border trade and the international timber trade.

Recommendations to forest agencies

Improving transparency

Transparency could be improved through the mandatory disclosure to the general public of documents and data related to the status of threatened trees species, forest condition, forest harvest, trade to the public, and companies that have committed illegal acts and been fined, such as via websites that are accessible to the general public. In addition, the holding of public hearings by forest agencies should be promoted.

Assessment of forest governance indicators

Assessments of forest governance should be carried out by all forestry stakeholders and civil society. The World Bank PROFOR/FAO forest governance indicators framework (Anon., 2011) could be used for engagement with all forestry stakeholders in the countries of the region, to get better buy-in on governance, measurement of indicators, and reforms as needed.

Supporting private sector initiatives

Governments should support private sector initiatives, for instance by encouraging value-added processing before export with tax incentives, credit facilities, preferential access to raw materials, or by giving preference in the allocation of harvesting permits to companies abiding by voluntary best practices codes of conduct.

Recommendations to research institutes and civil society organizations (CSOs)

Forest trade monitoring

Research institutes and non-governmental organizations should recruit interns and research assistants to monitor and record the flow of forest trade at major bottlenecks and border posts in co-ordination with all six of the aforementioned countries. The results could then be compared with official data, and used to improve government protocols as necessary.

CONCLUSIONS

A significant illegal and unsustainable trade in timber is taking place within East and southern Africa and for export beyond. The dynamics of this trade are changing fast and action to improve forestry sector initiatives outlined above is therefore imperative if stakeholders are to have any impact on reducing destructive trade practices. Governments and non-governmental organizations working to address illegal timber trade should assess whether a shift in analysis and focus is required, such as from largely the timber trade only to cover wider forest products in trade and use in order to address deforestation plus the degradation of forests and their very high ecosystem values to local, national and regional economies.

The establishment since 2013 of bilateral and multi-lateral MOUs regionally (such as the Zanzibar Declaration) together with multi-agency fora (including the East Africa Timber Forum operational since 2013), in conjunction with the studies summarized here, has facilitated ways in which to tackle these emerging issues in new and more collaborative ways.

DOMESTIC CONSUMPTION OF NATURAL FOREST TIMBER IN THE REGION IS ESTIMATED TO AMOUNT TO MORE THAN TEN TIMES BY VOLUME THE AMOUNT OF TIMBER EXPORTED INTERNATIONALLY



Seized planks of *Pterocarpus angolensis* and *Afzelia quanzensis*, suspected of being illegally imported from Mozambique. Tanzania Revenue Authority border post at Mtambaswala, Mtwara Region, September 2015.

KAHANA LUKUMBUTYA

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Kahana Lukumbuzya, independent consultant,
Dar es Salaam, Tanzania;
Email: kahana.lukumbuzya@gmail.com
Simon Anstey, Integrated Rural Development and
Nature Conservation (IRDNC), Katima Mulilo, Namibia
Email: simon.anstey@gmail.com