

## PROJECT FILE OF THE SUPPORTING THE INTEGRATED DEVELOPMENT OF THE TIMBER INDUSTRY IN THE CONGO BASIN



### **BACKGROUND**

The Congo Basin is the second largest tropical forest basin after Amazonia, with 300 million hectares of forest, including 170 million hectares of dense tropical forest, 51 million hectares of productive forest, 18 million hectares of conservation, and 100 million hectares allocated. Timber is mainly intended for export in the form of logs (raw form).

The timber sector in the Congo Basin countries is becoming a strategic issue to accelerate the structural transformation of economies of countries of the subregion for inclusive, sustainable, and green growth. The sector brings together the stages of harvesting, processing of raw materials, research, second processing, trading activities, and then possibly a third or fourth processing, and sales to reach the final customer.

In the Congo Basin countries, the main processing activity is sawing, followed by peeling while the second and third processing, more likely to bring growth and jobs, remain embryonic.

Based on the observation of the low contribution of the timber sector to the economies of CEMAC countries and the potential that this sector offers to diversify the economies of the subregion, the industrialization of the timber sector was identified as a strategic challenge. To this end, CEMAC approved, during the meeting of Ministers of Forestry, Industry, and the Environment on 18 September 2020, the institutional and regulatory framework for the implementation of the strategy for the sustainable industrialization of the timber sector in the Congo Basin. One of the key provisions of this regulatory framework is the Decision relating to the ban on exporting timber in the form of logs by all Congo Basin countries, enforceable from 1 January 2023.

## **PROJECT DESCRIPTION**

The sustainable industrialization strategy for the timber sector in the Congo Basin countries emerged from the desire of the CEMAC Heads of State, who decided, during the extraordinary summit held on 23 December 2016 in Yaoundé, to intensify diversification actions to put economies of the subregion on the path to dynamic and sustainable growth.

To this end, the timber sector strategy is designed to respond operationally to the multidimensional challenge of industrialization to make it a sustainable source of diversification and an important lever for poverty reduction. Thus, the Congo Basin countries have implemented principles and an original sustainable forest management framework that is uniformly applicable to all exploitable forests.

The development plan, a document governing sustainable forest management developed within this framework, defines areas allocated to timber production and those allocated to other uses and authorizes the removal of approximately 5 percent of existing capital from areas allocated to production, reconstituted by a rotation of 20-30 years.

## **OBJECTIVES**

The goal of the sustainable industrialization strategy for the timber sector is to: (i) significantly increase the contribution of the forestry sector to the national GDP, (ii) increase the concessions to be exploited, (iii) intensify the harvesting of forest concessions, (iv) develop first, second, and third timber processing. Indeed, it is a matter of making manufacturing industries in the subregion benefit from the productive dynamism by developing value-added and labor-intensive activities, promoting low labor

costs to attract investors, and then gradually moving up the value chain.

The study, “Integrated and sustainable development of the timber sector in the Congo Basin,” is available.

## **PROJECT COST**

The cost of the project is estimated at 295.8 million euros. The funding already mobilized is 82.746 million euros while the funding sought is 213.054 million euros.

## **EXPECTED RESULTS**

The main results expected from the project are:

- the development of different segments of valorization of the timber sector through its industrialization to meet local, regional, and international demand;
- an increase in the contribution of the processed timber sector to national GDP;
- an increase in public revenue;
- the creation of jobs and income likely to improve the living conditions of people and combat poverty and unemployment.

## **NEPAD ELIGIBILITY**

The project is one of NEPAD’s priority regional integration operations.

## **PROJECT VIABILITY**

The project consists of strong and sustainable forest harvesting and advanced industrial development of forest resources in forests allocated to timber production, forest concessions sustainably managed, and therefore protect them from degradation and deforestation to ensure their contribution to the fight against climatic changes.