



Replenishing the State's coffers

The painstaking work of a tiny team of independent forest monitors truly pays off.

That a government in financial difficulty would miss out on the millions of dollars that it is rightfully due seems implausible: so many unbuilt schools, under-equipped medical centres, poorly maintained roads and washed-out bridges. Yet without concrete, reliable data on unpaid taxes and fines, such a situation is almost inevitable. And like a slow water leak that is noticed only when the building is threatened, this is what happened in the Republic of the Congo's timber sector.

Good thing that the [Cercle d'Appui à la Gestion Durable des Forêts \(CAGDF\)](#) was there to shed light on the issue.

CAGDF is the only independent forest monitor mandated by the government to monitor the compliance of forestry operations with the legal framework, a role set up under the [FLEGT Voluntary Partnership Agreement](#) between the Republic of Congo and the European Union to promote the legal timber trade and good governance in the timber sector.



Being a mandated independent forest monitor (IM) means that the representatives of CAGDF – a team of three technical experts – should regularly go on missions to monitor the situation on the ground, sometimes accompanied by forest administration agents. But every time they proposed a joint mission to inspect a site, they were given the same government response: There were no funds to finance the inspections.

No money for monitoring missions = illegal situations that continue with impunity = ever-bigger hole in the coffers of state = ever-greater need for monitoring missions that will never take place, given the size of the preceding hole and a financial situation in a tailspin.

Given the level of forest exploitation and potential income to the government, CAGDF wondered “if there wasn't some money lying around somewhere for onsite monitoring missions”.

“Our role is to engage decision-makers,” explains Alfred Nkodia, IM coordinator. “After each mission we tallied up tax recovery and saw that we were missing out on significant amounts. We started doing the maths to give the government an example – just so that we could tell them ‘make an effort, considering all the money you are leaving in the pockets of the logging companies!’”

With funding from the [Citizen Voices for Change \(CV4C\)](#) project, the CAGDF team worked out a systematic analysis of the overall indebtedness of all forestry companies established on Congolese territory for the year that had just ended, 2018. In light of the rules in force¹, it turned out that in 2018 the State failed to collect USD 12,943,296 in taxes – 50 per cent of what it was due. As for fines, USD 1,795,844 was paid to the State, a meagre 21 per cent of the amount owed.

1. In particular Law 16/2000 of 20 November 2000 relating to the Forest Code, and implementing decree 2002/437 of 31 December 2002 setting the conditions of management and use of forests, as well as other relevant legislative and regulatory texts.

In fact the funds that should have been deposited in State coffers were worth a more energetic attempt at collection.

The revelation of these numbers at the 11th session of the FLEGT VPA Joint Implementation Committee startled everyone, donors, NGOs. It was the first time that the general state of total debt had been presented to such a diverse audience.

The Ministry of Forest Economy requested more analysis to substantiate the data presented by the mandated IM. One year after the analysis was completed and additional facts provided, no official feedback had been received.

The prod of the hornet's nest proved motivating. The CAGDF team was delighted to hear, after the meeting, about a flurry of emails from the Directorate General of Forest Economy (DGEF) to its various regional authorities (DDEF) to take stock of forest debt on a case-by-case basis.



In the months that followed, during the few missions they were able to carry out, the CAGDF team noted a considerable effort to improve the collection of monies owed. The results are telling: Although a complete overview of the situation is not possible, in 2019 the regional authorities of the Cuvette Ouest, recovered 97 per cent of the fines.

Better to accept the progress with discretion and move onto other things. Notably for CAGDF 'other things' would be to work on an analysis of the debt for the years 2017 and 2019, with continued CV4C support, to try to identify trends relating to public finances and forest management. Analyses should be ready by the end of the project.

Always with a view to encouraging the forest administration, CAGDF hopes to provide it with precise information concerning infractions in order to propose practical solutions.

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"For example, we can suggest that the administration not sign the way bill, without which no cargo can circulate, until a company has paid its debts," explains Teddy Ntounta, IM team leader. "Or they could issue a formal notice three months after giving a warning, or suspend logging. We hope the project leads to better dispute management, but we must remain realistic. We'll try to sort recoverable debts from those that are no longer worth it: Some companies have gone bankrupt, other debts have been on the books for twenty years – we have to say goodbye to those debts."

Coming to grips with the 2018 financial situation was an imposing undertaking; this project is proving to be colossal.

So are the stakes: By right, the money belongs to the people of Congo; the state only manages it. The Congolese population who endure the loss of their natural resources and forests, as well as of the livelihoods that depend on them, are to receive a portion of the revenue through benefit-sharing. Two means of benefit-sharing exist:

- One, through contractual specifications (*cahier de charges*) in which a forestry company undertakes to contribute to socio-economic development of the administrative regions, with or without forests, for example through the rehabilitation of certain social infrastructures such as schools and health centres, and maintenance of secondary roads, as well as to the equipment of the forestry administration.
- Next, through the Local Development Fund. Forest operators are supposed to contribute the amount of 200 CFA (USD 0.36) per m³ of timber sold. These funds are intended to finance local development projects. Projects are selected through a multi-stakeholder consultation process involving Indigenous Peoples, civil society, the prefecture, private companies, and could considerably improve everyday life, including and above all for the most vulnerable.

What really happens is another matter. By way of illustration, from 1 October 2011 to 31 December 2018, the Likouala Timber company owed 50,986,956 FCFA (USD 91,143); only 19,028,800 FCFA (USD 34,015) were disbursed, a very low pay-out of 37 per cent. With only this amount, no local development project could be funded.

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Must do better: Currently, contributions of forest companies to both sources of revenue for the Congolese population are not proportionate to the exploitation the population puts up with. For a country rich in natural resources to be plundered without compensation is unacceptable; that the most vulnerable are most affected by this, even more so.

The government itself appears convinced of the benefits of IM, judging by the new Forest Code that integrates the rights of local communities and Indigenous Peoples throughout, as well as independent forest monitoring (article 69). The members of CAGDF do not lose sight of their goal to be of concrete assistance in this situation, and are undaunted by the heap of paperwork they must analyse to do so.

Interview with Alfred Nkodia, Daniel Ndinga and Teddy Ntounta on 3 September 2020; Nicole Gérard



AT A GLANCE

1 New Forest Code that integrates the rights of local communities and Indigenous Peoples throughout, as well as independent forest monitoring (article 69)

1 Note analysing the collection of forest taxes and fines in 2018

12,943,296 USD Forest taxes owed but not collected in 2018

1,795,844 USD Forestry fines collected – only 21 per cent of what was owed in 2018

6 Information-gathering IM missions carried out within the framework of CV4C

9 IM missions on construction sites within the framework of CV4C

7 Published, validated Mission reports; 2 in progress*

17 Fines imposed on the spot, transactions amounting to 20,740,100 FCFA (37,168 USD)

1 Company the activities of which were suspended after IM denunciation (Christelle)

* Explanation for the delay in validation: “Often companies are not motivated to provide all the data until the report has been presented in committee. CAGDF wholeheartedly accept contrary evidence – on presentation – but cannot help but note when data could have been provided in a more timely manner.”



Led by the University of Wolverhampton's Centre for International Development and Training (CIDT), the 'Citizen Voices for Change (CV4C)' project was designed to establish a strong, sustainable partnership of forest monitoring non-state actors (NSAs) or Civil Society actors in Cameroon, Central African Republic, Democratic Republic of Congo, Gabon and Republic of Congo. The project sought to address this challenge by strengthening the capacity, influence and long-term viability of IM organisations to perform essential watchdog functions. Find out more at <https://cidt.org.uk/cv4c>.