

Sub-Saharan Africa's invisible timber markets

Artisanal timber producers and traders fly largely under the radar in the region, and there is a clear need for policies and legal frameworks that incorporate their activities

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Smoothing the way: Bringing artisanal enterprises into the formal timber sector could benefit countries, workers and forests. Photo: T. Yanuariadi/ITTO

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Finding legal timber to supply the domestic market is a challenge in Côte d'Ivoire, a country in which forestry is the fourth-highest sector in export earnings. By law, a certain percentage of annual timber production must supply the local market, but the exact percentage has never been clarified. In practice it equates to 10–20% of industrial timber, according to official estimates (MINEF 2014), but this range falls substantially short of domestic demand.

Compounding the issue, industrial production has declined sharply in Côte d'Ivoire, while the country's domestic market, as well as those of neighbouring countries, have grown. Local farmers and non-industrial sawyers have filled the gap, selling trees felled in the preparation of fields or harvesting abandoned logs from the edges of logging operations, gazetted forests and fallows.

Côte d'Ivoire is not alone in this trend. Research by the Center for International Forestry Research (CIFOR) and partners in many countries in sub-Saharan Africa, Southeast Asia and Latin America has highlighted a similar pattern in domestic timber supply (Wit et al. 2010; Cerutti et al. 2014). The artisanal timber sector is thriving in sub-Saharan Africa, supplying millions of cubic metres of wood, fuelling cross-border timber trade, supporting hundreds of thousands of households and helping generate livelihoods.

According to most country and international data, however, this artisanal sector and the associated cross-border trade simply don't exist. Records are scant and incomplete, and there are few data or targeted regulations; the supply chain falls largely under the radar of official statistics. In some countries, including Côte d'Ivoire (where the non-industrial exploitation of forest resources is prohibited), the entire sector and those working in it are classed as illegal.

Research has begun to shed light on sub-Saharan Africa's domestic timber market. The recently completed ITTO project PD 700/13 Rev.2 (I) Phase I, Stage 1: "Development of intra-African trade and further processing in tropical timber and timber products", implemented by CIFOR, documented the processes, scale and impacts of the market in Côte d'Ivoire as well as the cross-border trade of timber with Côte d'Ivoire, Cameroon and the Democratic Republic of the Congo (DRC). Alongside earlier work by CIFOR, the research highlights the importance of this sector to local people, countries and the region as a whole.

Profitable, thriving and informal

Small-scale logging is an age-old activity in Côte d'Ivoire. It was banned in 2013, however, with the passing of laws designed to facilitate industrial-scale logging for export; similar bans have also been enacted in other countries in sub-Saharan Africa. The change in legal status has done little to quell the local consumption of artisanal timber in Côte d'Ivoire, however. Instead, the sector now operates informally, with thousands of people continuing to rely on it directly and indirectly for timber, employment and income. Our study indicates that artisanal chainsaw millers supply at least 27% of Côte d'Ivoire's domestic market—an estimated 1 million m³ roundwood equivalent—although other data (e.g. Louppe & Ouattara 2013) suggest this could be a gross underestimate.

The economic benefits are widespread: the industry supports carpenters, cabinetmakers, wood sellers, transporters, loggers and others. Money also flows to those with authority at various points of the supply chain, with the informal imposition of administrative costs. Many small-scale sawyers are young people from both rural and urban areas anxious

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to be financially independent; for such people, the most common reasons for joining the sector are income generation and employment. Most use their income to pay for food, housing and other daily household needs, and about 10% reinvest in cocoa, coffee and cashew plantations in their rural homelands.

Accessing trees is a constant challenge. Customary owners of forests may request sawyers to harvest logs, or give them permission to do so, but difficult arrangements mean that many sawyers turn to clandestine methods. If access is granted, the actual cost of the tree is low, particularly given the widely acknowledged scarcity of trees. This is likely due to a lack of knowledge in rural areas about the added value of sawnwood; moreover, customary owners often perceive that sawyers are doing them a favour by removing trees that interfere with crops—cocoa plantations are considered to provide households with the best and most stable source of income.

Even after a timber source is secured, artisanal sawyers face several challenges. Prices and costs vary among sawyers (and between artisanal-sourced versus industrial-sourced sawnwood): those sawyers (about 73%) who work after receiving orders from, for example, a carpenter or trader tend to make larger profits than those who work without already-established buyers. This is partly because the former are better positioned to negotiate prices and partly because they are shielded from administrative hassles, given that transportation is generally taken care of by the buyer. Regardless of whether small-scale loggers have buyers, however, administrative hassles are the most common problem they report. These tend to occur during transportation and delivery to market and are managed through payments to local officials, a consequence of the informal nature of the industry and the reliance of so many on it for their livelihoods.

Our study estimated the total value of Côte d'Ivoire's domestic market sourced with artisanal timber at US\$93 million, with industrial timber supply adding another US\$250 million. The general criminalization of chainsaw milling under the ban, however, means that the forestry administration has little incentive to put in place either an adapted regulatory framework or a system to monitor the socioeconomic and environmental impacts of the artisanal sector, leaving this profitable sector to run itself.

Crossing borders

Domestic timber consumption captures only part of the story, with large volumes of artisanal timber also transported to neighbouring countries. Similarly to the in-country supply chain, the cross-border trade is largely undocumented or at least underreported.

The project monitored selected border posts in Cameroon, Côte d'Ivoire and DRC for several months. The volume of timber passing through each border post varied but, overall, the data and subsequent country estimates showed a consistent pattern across the three countries: far higher volumes of sawnwood were being traded across land borders



Cross-border boards: A truck loaded with artisanally produced sawnwood waits at Bouaké, Côte d'Ivoire, destined for Burkina Faso. Photo: R. Tsanga & E. Essiane/CIFOR

than shipped overseas. For example, DRC is estimated to export 120 000 m³ of sawnwood across its southern and eastern borders (mainly through Uganda and Zambia) annually, which is nearly four times its estimated international sawnwood exports (de Wasseige et al. 2014). Chad is second only to China in the volume of timber it receives from Cameroon.

The volume of timber being traded across borders appears to be increasing, likely to meet the demand created by growing populations in sub-Saharan Africa and booming infrastructure development. But official records in the three countries fail to reflect what is happening on the ground. Even at border posts where records are kept, trucks are often loaded with far more wood than is recorded, and informally produced timber is mixed with industrially sourced timber, leading to the gross underestimation of actual timber production and trade.

The supervision of regional exports tends to fall under the responsibility of local administrations or even local communities, who sell standing timber to business people from neighbouring countries. The requirements and efficiency of formal trade vary between countries: in Côte d'Ivoire, for example, timber can be cleared across a border in 24 hours, whereas the official clearance procedure for moving products from DRC to Uganda and from Cameroon to Chad can take a week or more. At all the border posts monitored in our study, various informal arrangements exist alongside official procedures to simplify the export process, usually involving cash payments to customs officials and other parties with power. On the Cameroon–Nigeria border and the eastern and southern borders of DRC, informal direct payments to local officials are the norm and regular, formal taxation is the exception.

Integrating into the formal sector

The profitable and important artisanal timber industry operates outside official records and formal processes and therefore lacks sufficient monitoring and regulation of its financial, environmental, social and governance impacts. There is a clear need for adapted and improved timber policy frameworks that better incorporate artisanal



Seat at the table? There is a clear need for timber policy and legal frameworks that better incorporate artisanal domestic and regional timber trade in sub-Saharan Africa. Photo: T. Yanuariadi/ITTO

domestic and regional timber trade. Understanding the dynamics of artisanal timber production and trade, and using such knowledge to align policies with this thriving sector, can boost local livelihoods, sustainable forest management and national export income.

Technical and regulatory solutions exist for integrating informal domestic timber markets into the formal forest sector. For example, financial incentives could be granted to artisanal sawyers and traders for supplying the government with production and trade data, to which formal taxes could be applied. Artisanal sawyers and local timber traders are—first and foremost—entrepreneurs. They value simple processes, which may involve informal payments and bribes to enable the continuation of their operations. If technical and policy solutions add formal costs (e.g. in the form of taxation) without clear signs that public officials will reduce the number and amounts of informal payments required to stay in business, operators will resist integration into the formal economy.

These challenges are largely the responsibility of producer countries. We hope that the day will come when countries are less concerned about what happens within their borders than with what happens to forests at a larger scale (e.g. at the regional, landscape or ecoregional scale), but we are not yet there. The reality is that importer and consumer countries in sub-Saharan Africa (e.g. Burkina Faso, Chad, Kenya, Mali, Niger, Nigeria and Uganda) and beyond might express their concern about the negative socioeconomic and environmental impacts of timber production in neighbouring countries while also reaping the benefits of such trade—it fulfils their local timber demand, and most of the direct negative impacts are in the exporting countries. In this sense, innovative technical and policy solutions must be researched and tested at the supranational level to increase the benefits of intra-African timber trade and reduce its most persistent negative impacts.

Publications produced by the project can be found by inserting the project code (PD700/13 Rev.2 (I) Phase I Stage 1) into the ITTO project search function at http://www.itto.int/project_search.

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