

China-Africa Forest Governance Project

Improving Chinese investment in African forest land use



Project
Materials

Project Update

October 2016



China in Africa – a fast changing relationship

Chinese companies are having dramatic effects on African forests. Sometimes this means good jobs, a range of benefits to local livelihoods and decent forest management. Other times the forests suffer and the people are short-changed. Companies from other countries have these effects too, but it is the large and increasing scale of activity linked to Chinese companies in Africa that marks them out. China imports over 75% of Africa's timber exports, and investments in agribusiness, mining and infrastructure in Africa's forest and woodland areas are growing too.



Key players in China and Africa - in government, in NGOs, in academia, and in the companies themselves - who can best help chart a sustainable course for these investments are poorly linked. IIED is facilitating a new partnership which is engaging with Chinese investors and enterprises, tackling key problems in the illegal timber trade, and seizing opportunities for more sustainable Chinese investment in land-use sectors (see box).

Project profile – China-Africa Forest Governance Project

The geographical focus in the project is on **Cameroon, the Democratic Republic of Congo (DRC), Mozambique, Uganda and China**. IIED leads the project working with in-country practitioner teams with a strong track record of governance engagement who engage with Chinese enterprises in land use and the policies that affect them. The teams are led by:

- Research Institute of Forestry Policy and Information at the Chinese Academy of Forestry, and Global Environmental Institute, China
- Centre for Environment and Development, Cameroon
- Reseaux Ressources Naturelles, DRC
- Terra Firma, Mozambique
- Advocates Coalition for Development and Environment, Uganda
- World Wide Fund for Nature (WWF) International, Switzerland

The intended **outcome** of the project is: Increased preparedness of stakeholders and improved policy and investment practice in China and Africa that foster good stewardship of forest resources and benefit poor men and women. Intended project **outputs** are:

- **Evidence** on constraints and opportunities for forest resources in productive and resilient land use and trade generated and verified by relevant stakeholders in China and Africa.
- **Capacity and dialogue** improved amongst relevant stakeholders for Chinese investment in productive and resilient African land use and sustainable forest product trade between China and Africa.
- **Policy and investment practice** improvement opportunities developed, in China and Africa, and in key international processes, for Chinese support of productive and resilient African land use and sustainable forest product trade between China and Africa.

The project started in June 2014 with support from the UK Department for International Development, which ends in March 2018.

Progress to date and ways forward

This project develops evidence and capacity to create opportunities for improving policy and Chinese company practices in favour of sustainable land use and local benefits in Cameroon, DRC, Mozambique and Uganda. Project partnerships in these countries and China focus on progress with the China-Africa Forest Governance Learning Platform (see box), Voluntary Partnership Agreements (VPAs) for progress in improving governance of the timber trade, company due diligence and legality, and improving in-country investments.

- **Better evidence base.** Diagnostics have been developed in Cameroon, DRC, Uganda, Mozambique and China – providing rigorous evidence on China-linked investments in land use and trade that impact on forests and livelihoods. Studies of timber flow from Africa to China, and of potential incentives for improved practices of enterprises and investors have also been carried out.
- **Vibrant dialogue with Chinese companies and traders.** We have developed a network of Chinese enterprises on a Chinese social media platform - with regular newsletters sent by the project - and through face-to-face dialogue in DRC, Cameroon, Mozambique and China. It draws attention to laws and policies and is steadily ramping up engagement on legality and sustainability issues.
- **Mechanism for collective engagement with Chinese companies in Africa.** Following concerted awareness and capacity-building work, with support from the project, a Chinese timber traders' association was launched in Cameroon in 2016, with 20+ members from Cameroon and the

surrounding Congo Basin countries. There is an emphasis on legal compliance in its intentions and the association allows the project partners to engage directly with a group of companies together.

- **Training with Chinese banks on sustainable forestry and green credit.** WWF China hosted a training for 12 Chinese banks and the China Banking Regulatory Commission on sustainable forestry and potential for green credit. Senior officials from the State Forestry Administration also attended and a means for further engagement with those trained agreed
- **Direct engagement in policy reform.** In Mozambique, project partners are actively participating in forest law reform processes and there is good potential to contribute to phasing out the currently unsustainable simple license regime, potentially introducing a new concession format for communities, and developing a new national fund that receives forest revenues and reinvests them in line with sustainable forest sector.
- **High-level access to government.** Project team engagement with high-level policymakers and parliamentarians, as well as Chinese embassies, is strong in Uganda and Cameroon. In China, the project team works with the Customs department, Ministry of Environmental Protection and State Forestry Administration on sustainability and investment risks of Chinese investment in Africa's land-use sectors. We have made inputs to the Forum on Collaboration between Africa and China (FOCAC), and created access to optimise further engagement with this key trans-national policy process.

“The China-Africa Forest Governance Learning Platform’s is really focused on the key issues – it shows great promise in reaching its goal”

Mr Levodo Tsengue, Ministry of Forestry and Wildlife, Government of Cameroon.

“This Platform is now the key forum for China-Africa in the forest sector”

Dr Chen Yong, Research Institute of Forestry Policy and Information, State Forest Administration, China.

China-Africa Forest Governance Learning Platform

The China-Africa Forest Governance Learning Platform was launched in 2013 and thus far brings together forest governance players, including heads of government forest departments, from eight African countries, representatives from the Chinese Academy of Forestry, the Global Environmental Institute, IIED, WWF and some other international organisations. By October 2016 the Platform has held three major international learning events – two in China, one in Cameroon. Participants have recognised its success to date in creating an open dialogue space for Chinese, African and the international community to come together.

Dialogue in Platform events has thus far identified: plans for new collaborations and direct work with Chinese companies; impetus for Chinese aid for African forest sector institutions; and increased Chinese government willingness to push for more company due diligence. The Platform also enables interrogation and verification of the findings produced from research. This process increases joint ownership of findings, whilst the partners and invited participants in the activities of the Platform provide an efficient and effective dissemination network. Whilst the China-Africa Forest Governance Project has been the main supporter of the Platform to date – other organisations continue to increase their involvement which bodes well for its sustainability.

Looking ahead, the project plans to help further develop the Platform and gain further engagement and support of others in this key mechanism for taking China-Africa forest partnerships forward. In the focal countries we hope to: work with the Chinese company association in Africa in particular to enable small and medium scale enterprises to improve their practices and link to procurement initiatives in China;

continue to engage larger companies supplying the timber trade to China in legality and sustainability improvements; develop practical arrangements for increased social and environmental responsibility agreements amongst Chinese companies in agribusiness, mining and infrastructure; further the work with African government agencies on policy reforms; and support Chinese government action for improved guidance and due diligence of Chinese companies, the timber legality verification system, green procurement, and forest sector support in China's foreign aid.

We welcome comment, ideas and interaction with other initiatives.

Contact: james.mayers@iied.org

Further reading

The dragon and the giraffe: China in African forests (James Mayers, 2015) pubs.iied.org/17302IIED
Also available in French pubs.iied.org/17302FIIED and Chinese pubs.iied.org/17302CIIED

Recognising informality in the China–Africa natural resource trade (Xiaoxue Weng, 2015)
pubs.iied.org/17286IIED

Timber flow study: export/import discrepancy analysis China vs. Mozambique, Cameroon, Uganda and DRC (You Chang and Ren Peng, 2015) pubs.iied.org/13579IIED

Chinese views of African forests: Evidence and perception of China-Africa links that impact the governance of forests and livelihoods (Sun Xiufang, Ren Peng and Marisa Van Epp, 2014)
pubs.iied.org/17569IIED

China-Africa Forest Governance project page www.iied.org/china-africa-forest-governance-project

Country briefings for Cameroon, China, Democratic Republic of Congo, Mozambique and Uganda (in English, Chinese and French) summarizing country diagnostic reports on China-Africa forest governance issues are available on the above link.

Published by IIED, October 2016

International Institute for Environment and Development
80-86 Gray's Inn Road, London WC1X 8NH, UK

Tel: +44 (0)20 3463 7399

Fax: +44 (0)20 3514 9055

email: info@iied.org

www.iied.org

@iied

www.facebook.com/theIIED

Download more publications at www.iied.org/pubs

This research was funded by UK aid from the UK Government, however the views expressed do not necessarily reflect the views of the UK Government

