Community Forestry in the Congo Basin Program

Final Report for the period November 2011 – November 2012

By Fair & Sustainable Advisory Services

Assignment title: "IDH Congo Basin Program – FSAS Advice 2011-2012"

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List of Abbreviations

ACE	Annual Certificate of Exploitation
AFCONT	Association des Forêts Communautaires de Ngambe Tikar
ASFOKA	Association Fédération des Forêts communautaires de la Kadey
BDS	Business Development Services
CAMECO	Cameroon Ecology
CBFE	Strengthening Indigenous Community Based Forest Enterprises
CBP	Congo Basin Program
CED	Centre pour l'Environnement et le Développement
CERAD	Centre de Recherche et d'Action pour le Développement durable en Afrique centrale
CEW	Cameroon Environmental Watch
CF	Community Forestry
CFE	Community Forest Enterprise
CIFOR	Center for International Forestry Research (one of the CGIAR centers)
COMIFAC	Commission des Forets d'Afrique Centrale
CRS	Catholic Relief Services
CTFC	Centre Technique de la Foret Communale
DACEFI	Développement des Alternatives Communautaires à l'Exploitation Forestières Illégale
DfID	Department for International Development
DRC	Democratic Republic of Congo
ECOFORAF	Appui à l'éco certification des concessions Forestières en Afrique centrale
EIA	Environmental Impact Assessment
FAO	Food and Agriculture Organisation
FEICOM	Fonds spécial d'Equipement et d'Intervention Intercommunal
FLEGT	Forest Law Enforcement, Governance and Trade
FSAS	Fair & Sustainable Advisory Services
FSC	Forest Stewardship Council
GFTN	Global Forest Trade Network
GIC	Groupement d'Intérêt Communautaire
GIZ	Gesellschaft fur Internationale Zusammenarbeit
ICCO	Interchurch organisation for development cooperation
IDH	Initiatief Duurzame Handel ; The Sustainable Trade Initiative
MAP	Modular Approach Program
MINEP	Ministère de l'Environnement et de la Protection de la Nature
MINFOF	Ministère de la Forêt et de la Faune
MIS	Market Information System
NGO	Non Governmental Organisation
NPFE	Non – Permanent Forest Estate
NTFP	Non Timber Forest Product
ONFI	Office National des Forets - International
PDFC	Partenariats pour le Développement des Forêts Communautaires
PES	Payment for Environmental Services
PFE	Permanent Forest Estate
PPP	Public Private Partnership
PSFE	Programme Sectoriel Forets Environnement
REDD	Reducing Emissions from Deforestation and forest Degradation
REGEFOC	Réseau des gestionnaires des forets communautaires de la Boumba et Ngoko
RFA	Redevance Forestière Annuelle
RIGC	Renforcement des Initiatives de Gestion des Ressources. Forestières Communautaires et fauniques
ROF	Responsable des Operations Forestières
SCNIC	Societé Commerciale pour la Négoce et l'Investissement Communautaire
SFM	Sustainable Forest Management
SLIMF	Small and Low Intensity Managed Forests
SME	Small and Medium Enterprises
SMFE	Small and Medium Forestry Enterprises
SMP	Simple Management Plan
SNV	Netherlands Development Organisation
SPs	Service Providers
TAA	The Amazone Alternative
UFA	Unité Forestière d'Aménagement
VC	Vente de Coupe
VPA	Voluntary Partnership Agreement
WWF	World Wide Fund for Nature

Executive summary

Introduction
The Congo Basin Program (CBP) is part of the Tropical Timber Program of the IDH The Sustainable Trade Initiative, and aims to accelerate the sustainable production of and trade in tropical timber.
The CBP supports concession holders in the Congo Basin on their way to responsible forest management and the certification thereof. The CBP is a partnership program, working in close collaboration with WWF/GFTN, ICCO, FSAS, Forest Stewardship Council (FSC) Netherlands and FSC national offices. One of the main objectives is increasing the area under responsible forest management with another 4 million ha, which will give a push to move the sector as a whole towards sustainability. This is the final report of activities by Fair & Sustainable Advisory Services (FSAS) in support of the Congo Basin Program (CBP) in the period from November 2011 till November 2012.

Fair & Sustainable Advisory Services (FSAS) is a consultancy firm which offers services in Corporate Social Responsibility policy development, (gender and) value chain development, business development, partnership facilitation, value chain finance, capacity development, certification and impact measuring. FSAS has contributed to two aspects of the Congo Basin Program: (1) The social aspects and inclusion of community forestry in the program and (2) Contribution to the development of a buddy-system of service providers (aiming to build local capacity by coupling large, experienced service providers with less experienced service providers). FSAS has concentrated on Cameroon being the most advanced country in the region in terms of community forestry. The assignment was carried out by Jochem Schneemann (consultant market and value chain development) and Lisette van Benthum (consultant business development) of which this report presents the results. FSAS performed desk studies of literature and project reports and a two weeks field mission to Cameroon in May 2012. Through desk and internet study the financial services of the major finance institutions in Cameroon were mapped and assessed.

Semi-commercial partnerships
Unfortunately no semi-commercial partnerships between concession holders and community forest enterprises could be identified. None of the concession holders, which were to become partners in the program, were willing to enter into a partnership with community forests. Underlying causes are the bad experiences concession holders had so far with community groups.
<u>FSAS concludes</u> that the time has not yet come to engage concession holders for partnerships with community forest enterprises. This could however change in the coming years when Community Forest Enterprises (CFEs) will be better organized and able to operate their business in a more professional and sustainable way.

Buddy system for service providers
Strengthening locally available services in support of FSC certification in the Congo Basin through a buddy system of service providers, where experienced service providers (SPs) and less experienced service providers work together, is assumed to be attractive for the service providers. Potentially there are a number of advantages such as using complementarities in knowledge, skills and networks leading to improved and more attractive services. Even though nine service providers showed serious interest and despite our efforts to connect them to each other, finally none of them submitted a buddy proposal. Even after an extension of the submission period no proposals were received. The main bottleneck was the very limited demand for CBP services by concession holders so far. As a result SPs were not sure if their effort for a buddy proposal would indeed lead to additional sales of services.
<u>FSAS concludes</u> that a substantial and consistent demand for services is needed before SPs could become seriously interested to develop buddy proposals for services.

Access to finance
Community Forest Enterprises need substantial working capital to operate (an estimation for the annual production of 200m3 sawn timber is a 7 month loan of € 40,000). Three of the existing commercial banks and three MFIs are specifically targeting small and medium enterprises as their main customers.
FSAS advises:

- ➔ CBP to identify one or more forest activities which it would want to support, being private initiatives with a developmental impact or community forestry activities. After identification two important aspects need to be determined:
  1. Profitability (potential) of the selected activity (private or communal) on the short term
  2. Exact need for financial services
- ➔ Based on this final selection, representing potentially profitable ventures and their specific form(s) of financial demand, the CBP should identify (making use of this study) the most interesting banks and/or MFI's to connect to these initiatives. The choice for a particular bank should depend on geographical presence and type of financial product demanded on the one hand and offered on the other hand. This will never match 100%, so negotiation will be necessary in which the CBP can play an important role.

Status of Community Forestry in Cameroon
A large and increasing portion of the Cameroonian forest (non permanent forest estate) has come or is coming under control of communities; in 2010 some 180 Community Forest Enterprises had signed management agreements, covering 677,000 ha. Another 300,000 ha is in the application phase. There is great interest from rural communities to obtain management rights, exploit a forested area and generate local benefits.
A large number of NGOs support Community Forestry, because it contributes to livelihoods and to sustainable management and local control of forests. CIFOR (Ingram et all, 2010) showed that Community Forest Enterprises contribute to improvements in communities' livelihoods and provide for (more) sustainable forest management.
Community Forests cover 5% of the forest area in Cameroon and provide 2% of domestic timber supply (2008). The performance of most CFEs is not stable and varies from year to year. The exploitation rate is generally low (estimated at roughly 13% in 2008); a lot of timber which is allowed to be cut is not being cut due to the late delivery of harvesting permits and/or- bureaucracy, lack of markets and lack of means of operation (Cuny, 2011). This is caused by constraints in the enabling environment but also partly by the lack of ownership by the community and lack of organizational and business skills. Generally the representation of women, youth and minorities in CFE committees and decision making is weak and there may be conflicting interests between community factions. The more advanced CFEs have - with NGO support in e.g. governance - succeeded to invest the timber revenues in basic communal facilities such as water pumps and class rooms. Since 3-5 years Community Forest Enterprises are forming clusters of a few up to 30 CFEs in order to share the costs of marketing, to strengthen their position in the market and to lobby as a group for their interests. With support from SNV and ICCO an entrepreneur in Lomié established itself as BDS provider for community forest enterprises. He also became the broker between CFEs and the market. Between 2008 and 2010 several loads of community timber were exported to the Netherlands and the buyer and his clients were satisfied about the quality.
FSAS concludes that:

- ➔ Community Forest Enterprises need to pay more attention to ownership and commitment from all factions (female, male, youth & elderly) of the community, to the gender sensitive value chain perspective & knowledge and to improvement of business skills.
- ➔ None of the Community Forest Enterprises is currently certified, nor can it be expected that this will happen in the next 3-5 years autonomously. Reasons are: practically none of their buyers requires FSC certification, low volumes and high costs of certification.
- ➔ CBP can play a role and provide incentives to (a group of) Community Forest Enterprises to overcome these hurdles and become models;
- ➔ Community forestry will not become viable and certifiable with timber alone; other products e.g. NTFPs and services like REDD+ or tourism, should complement the timber revenues; there even is good reason to reconsider the approach for community managed forests in order to better take into account the reality on the ground, gender issues, the diversity of communities and their social and cultural organization models.

FSC group certification of community forest enterprises coupled with building viable businesses
CBP has decided to provide support to a FSC group certification pilot with community forests. Generally FSC certification of community forest enterprises and the necessary preparations will contribute to:

1. achieving the objectives of community forestry, as defined by the Cameroonian Forestry law of 1994: (1) livelihoods of the rural populations; (2) forest and biodiversity conservation; and (3) improved local governance;
2. a better organization, more reliable inventories, more efficient resource use, improved systems, skills and business performance.

The functioning of many Community Forest Enterprises still leaves much to be desired. For many CFEs FSC certification is not a feasible next step because it is very costly, buyers do not pay a premium for FSC timber and CFEs do not reach sufficient scale of production to pay for the additional costs of certification. The weak organization also hampers effective internal control systems.

FSAS concludes that:

- ➔ For advanced CFEs organized as a group, certification can become feasible if the following conditions are met:
  1. Regular production and sale of timber at a price high enough to cover certification costs and to generate a profit ;
  2. Technical capacities and organization are upgraded;
  3. Long term relationship with a buyer with high-end market demanding certified timber;
  4. Formation of a committed and effective group under the leadership of a respected commercial group certification manager.
  5. Direct and indirect costs of certification are brought down: e.g. by participatory inventories, working with locally based certification bodies and simplified requirements and procedures.
- ➔ CBP support to community forestry should start by working with the most advanced CFEs which have sufficient and accessible commercial standing timber volumes.
- ➔ Through a step by step approach capacities can gradually be built up towards the ultimate aim of FSC certification with intermediate milestones of legal verification and Controlled Wood. During the process intermediate assessments should be made to ensure the profitability of pursuing FSC Group certification.
- ➔ Arguments for FSC Group certification using the Small and Low Intensity Managed Forest (SLIMF) standard are:
  1. Sharing and reduction of costs for (pre)audit and annual monitoring visits;
  2. Scaling up of volumes of timber (species), hence becoming more attractive for buyers;
  3. For both the Controlled Wood and the FSC certification, community forests in Cameroon are often eligible for the simplified SLIMF version (Small and Low Intensity Managed Forest) of the standard;
  4. Costs can also be reduced due to simpler administrative procedures and a simplification of the standard that is made for SLIMF operations.

Certification costs and steps
Regarding costs of FSC Group and SLIMF certification it is clear that investments are needed to upgrade capacities and practices up to FSC certification standards, for coordination/group management and for maintaining the certificate. These costs will depend on the level of skills and business of the CFEs, on location, surface, proximity to markets and the number of CFEs in the group. The advantage of a group is cost sharing. The efforts which are invested in the FSC certification and legality verification will also contribute to business development and skills.
An opportunity for the CFEs and group manager is the FSC Smallholder Fund (established in 2012) that can cover costs of forming a group, of certification and of improving market access.
FSAS recommends adopting the following strategic elements and steps in the CBP support towards FSC group certification:

1. Selection of potentially most viable community forest enterprises
2. A step by step approach to reach FSC Group certification;
   Based on the Modular Approach Program (MAP) of FSC, FSC certification of communities can be divided into the following main steps:
   1. Identification
   2. Assessment
   3. Legality verification
   4. Controlled wood certification
   5. FSC certification

3. Synchronous to step 1 – 5: the connection with the market is of great importance and therefore synchronously to the 5 steps, *market development and viable business development* needs to take place. There is need to :
   1. provide support for business planning leading to (bankable) business plans;
   2. identify capacity gaps and needs for each CFE; including community ownership, gender and commitment aspects;
   3. make a tailor made capacity building plan for each CFE and implement it;
   4. broker financial services to CFEs;
   5. strengthen marketing capacities

Supporting first movers

As a result of the analysis and work by FSAS in collaboration with CBP, two European buyers of community timber have shown interest to invest in FSC group certification of community forest enterprises in Cameroon.

Each of them has an extended track record as buyer of community timber from Cameroon respectively Tanzania. Their ambition is to ultimately reach FSC group certification (SLIMF) with a selected group of Community Forest Enterprises, while adopting a realistic step by step approach with intermediate milestones and checkpoints.

<u>FSAS recommends:</u>

1. CBP to engage and support these initiatives which still are in an early stage, but offer opportunities that merit support, especially because the buyers and the CBP share the same ambition and goals, and both parties are willing to invest;
2. CBP to document the practices and lessons learned of these (and other) pilot initiatives;
3. Making use of lessons learned (as presented in this and other reports) and working with like-minded actors in Cameroon in strategic cooperation: this will increase the chances of success;

The Congo Basin Program to invest in viable community enterprises which hopefully will contribute to innovative community forestry models in Africa and could become the first FSC certified community forest initiatives in Cameroon, in the Congo Basin and one of the first in Africa.

This would be an excellent achievement and could serve to inspire other actors both in Cameroon and the Congo Basin to follow. Of course it is a path with various challenges on the way, but worthwhile the effort.

1. Introduction

This is the final report of activities by Fair & Sustainable Advisory Services (FSAS) in support of the Congo Basin Program (CBP) in the period from November 2011 till November 2012.

The Congo Basin Program (CBP) is part of the *Tropical Timber Program* of IDH The Sustainable Trade Initiative, and aims to accelerate the sustainable production of and trade in tropical timber. The CBP supports concession holders in the Congo Basin on their way to responsible forest management and the certification thereof. The CBP is a partnership program, working in close collaboration with WWF/GFTN, ICCO, FSAS, Forest Stewardship Council (FSC) Netherlands and FSC national offices. One of the main objectives is increasing the area under responsible forest management with another 4 million ha, which will give a push to move the sector as a whole towards sustainability.
In November 2011 FORM International (CBP coordinator) and FSAS agreed a contract based on specific tasks and responsibilities of FSAS in the CBP. See TOR in annex 1 and a short summary below.

Fair & Sustainable Advisory Services (FSAS) is a consultancy firm which offers services in Corporate Social Responsibility policy development, value chain development, business planning, partnership development, value chain finance, capacity development, certification and impact measuring. Forestry is one of the specializations of FSAS with emphasis on the social side of forestry, such as: community forestry, organization of small producers of timber and non-timber forest products, and business planning. FSAS has extensive experience in the region, especially in Cameroon and DRC where it also has a strong network with multiple local NGOs involved.

FSAS was responsible for two main aspects of the Congo Basin Program:
(1) The social aspects and inclusion of community forestry in the program:
(a) FSAS would identify community foresters and concession holders which are ready to enter into a semi-commercial partnership;
(b) FSAS would also assess the feasibility of community forests to become FSC certified and identify necessary steps towards that goal;
(c) Moreover FSAS would do a mapping of financial sector and financial service providers in Cameroon which are relevant for small and medium forest enterprises (SMFEs); and
(d) facilitate linkages with financial institutes if community forestry enterprises (CFEs) have a good business case.
(2) Contribution to the development of a buddy-system, which aims to facilitate capacity building by coupling large, experienced service providers (companies and NGOs) with less experienced, emerging service providers.

Due to limitations of time and travel CBP and FSAS decided to focus the efforts on Cameroon because this is the country with the most and longest experience on community forestry and with most potential for achieving the CBP objectives.

In the TOR this was translated into the following outputs to be provided by FSAS:

A. Identify and engage community forests to participate in the CBP through the network of ICCO and others
B. Assist to develop (semi) commercial partnerships between (large) concession holders and community forests
C. Facilitate access to finance for community forests
D. Assist with the design and elaboration of the buddy system for service providers
E. General advise to the program

For outputs A and B a short list would be made using a number of selection criteria, after which an assessment would lead to identifying six potential (semi-) commercial partnerships between a concession holder and community forests.
Early 2012 contacts with concession holders showed that they were not interested and willing to enter into a partnership with community forests. This necessitated for adjustments in the approach. Output B changed and became: explore alternative options to work with community forests and identify interim steps such as legal and Controlled Wood certification on the way to full FSC certification.

Secondly FSAS was going to also explore options for the CBP to engage so called communal (or council) forests (which can reach up to 30,000 ha) for a partnership e.g. with concession holders which can lead to FSC

certification. Later CBP did request FSAS to provide good reasons for piloting FSC Group certification for community forestry in Cameroon in the final report and present an indication of certification costs and lessons learned.

Content of report

After section 1 with the introduction, section 2 of the report describes the way the work was carried out (methodology), while the current status of Community forestry in Cameroon is presented in section 3. Section 4 describes our experiences with and view on (semi-)commercial partnerships between concession holders and community forest enterprises. An analysis of the landscape of financial services is provided in section 5 and the work on the buddy system in section 6. Section 7 contains the way forward (FSC group certification for community forestry) including lessons learned and cost indications. The final section (8) covers the final conclusions.

Reflection on assignment; country focus, achievements and limitations

Factors that challenged the implementation of the assignment as it planned were:

1. Limited number of concession holders joining the CBP: until July 2012 the company Rogier was the only concession holder that had signed a contract. Firstly this led to delay in the mission to Cameroon because we did not know which concession holders and CFEs to meet for the exploration of semi commercial partnerships, next to the Company Rogier, as this depended on the concessions that were to be certified in the framework of the program. Secondly this lead to a very limited demand for services , with the result that service providers tended not to be interested to invest time and energy in buddy proposals.
2. Before and during the mission it was confirmed that concession holders do not want to enter into a (semi-) commercial partnership with CFs (reasons see section four). This shifted the focus away from the semi commercial partnerships, towards (a) exploration of a step by step approach towards FSC certification of CFs and identification of the intermediate steps, and (b) exploration of options to engage council forests in FSC certification.

Despite the fact that some outputs were not achieved, due to unforeseen circumstances, the work and investments contributed to creating a sound basis for engagement of the CBP with community forestry enterprises. Building CFEs into commercially and environmentally sound businesses that safeguard the forest resources is a long way. We are hopeful that CBP can give a push and show models of FSC group certification with pioneers that will be inspiring examples and models for larger number of CFEs to follow. This report underpins the support for FSC group certification and can also be used as a reference document in the CBP and other programs.

Acknowledgements

First of all we are thankful to FORM for the confidence in FSAS and for the open and constructive collaboration. Special thanks go to SNV Cameroon for facilitating a large part of the mission to Cameroon, especially for arranging the field visit to Community forests in Ngambe Tikar and for the interesting discussions and exchanges. We are also grateful to the direction and staff of CAMECO for accompanying us during the visit to the council forest of Messondo and for providing valuable information about their experiences with community forestry groups.

All persons who, and organizations which, took time to participate in interviews and provided information and data, we are sincerely thankful to. This report would not have been possible without your support. 'Un grand merci'.

2. Methodology

FSAS used different methods:

- Collection and review of relevant reports and documents regarding Community Forestry in the Congo Basin and Cameroon in particular.
- Through mail, skype and telephone, contact was established with relevant persons and institutions and information gathered
- A two weeks Mission (in May 2012) to Cameroon included:
  + field visits to community forest groups, group meetings and observation of their forest operations and social work (the latter financed by the income from their timber)
  + interviews with several stakeholders: CFEs, CF associations and federations, support organizations ((I)NGOs, timber companies and concession holders, woodworkers and a certification body.
  + consultation of key resource persons to get information about the status of Community forestry and their level of operations; identification of advanced CFs that could serve as model
- A desk study on the financial sector in Cameroon and in particular on the access to finance and financial services for small and medium enterprises (SMEs)

At the request of IDH and CBP and as part of general support to the Congo Basin Program:

- FSAS facilitated the reprint of 4500 copies of the simple guide on FSC certification, for distribution to certified and to be certified timber companies and other stakeholders in the Congo Basin
- FSAS contributed to the design of a specific approach of the CBP in DRC through participation in IDH -CBP-WWF meetings
- FSAS contributed to overall discussions about the IDH Timber programs (e.g. on the evaluation of TAA)
- FSAS contributed to the discussion on community forestry in the three IDH Timber Programs through a presentation (at request of IDH) on the 5th of April 2012 with title “Community forestry and IDH Timber Programs: trends, lessons and prospects”

3. Current status of Community Forestry in Cameroon

3.1 Community Forest Enterprises as actors in the value chain

We prefer to view community forest groups as enterprises (investing, producing and selling goods to customers) with a social objective and therefore we will in this report often use the term community forest enterprises (CFEs). The social aspect will flourish most if the enterprise is profitable and able to provide funds for social community works. Globally there are different ways to look at the development of CFEs (TAA, 2012).

The first one which is found most often in literature is to take the community as *starting and central point* in the analysis. Here one looks at what has to be improved in the organization of the CFEs and what has to be given or done by the institutions that surround them.

The second approach follows the value chain as a whole and considers the CFE as just one of the chain actors in the whole system. This approach is market oriented: the first step is the gender sensitive (or inclusive) value chain analysis including the analysis of markets, mapping of the chain actors and of opportunities and constraints encountered. It includes looking at the (often different) roles and positions of women and men. Support is channeled through a temporary facilitator, who has the task to identify bottlenecks in the chain and to bring chain actors (male/female) and supporters together in order to solve these bottlenecks. The approach seeks as much as possible market based solutions for the bottlenecks that are identified in the value chain.

FSAS opts for the gender sensitive value chain approach, in which CFEs are viewed as actors in a chain, because it provides more sustainable solutions and will not (or much less) depend on subsidies. The aim is to stimulate entrepreneurship and support activities which are economically viable and constitute a strong business case. One should avoid interventions that distort the market. The reality is that most community forest groups have low levels of education, skills and organization: there is a need for investing in their capacities. The challenge in this situation is to strengthen capacities of community forest groups (their male/female members) and their (business) leaders without undermining their own initiatives and commitment.

The market based approach is in line with the general IDH approach and that of CBP that seeks to stimulate and create an enabling environment for sustainable and responsible private sector initiatives. In the IDH/CBP program companies have to pay at least 50% of the costs of the services for which IDH/CBP provides match funding. The strategy is to transform markets towards sustainable practices.

Figure 3.1 (next page) presents the value chain of tropical timber in Cameroon with in the central horizontal axe the chain actors (who own the wood product at a certain moment in time). The first surrounding sphere contains the chain supporters: they provide services to chain actors that add value to the product. Examples are the grader and transporter of community timber, who add value to the products but do not become owner of it. Other chain supporters are NGOs which provide training and capacity building of producers and other chain actors. The context sphere is strongly influenced by laws and regulations of the government, international agreements (e.g. FLEGT/VPAs), standard setting bodies and cultural aspects.

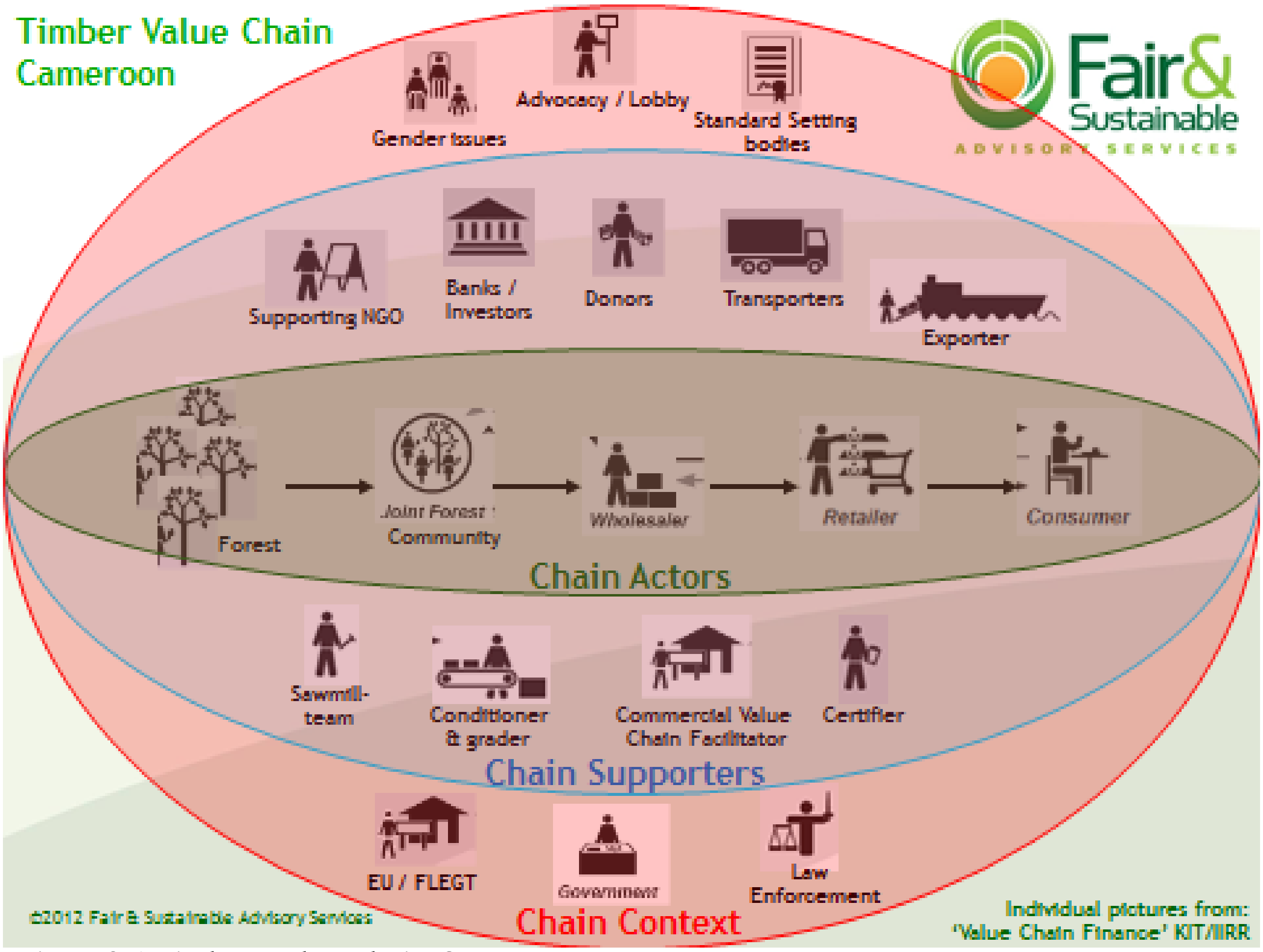

Figure 3.1 Timber Value chain Cameroon

Source: FSAS 2012, individual pictures from Value Chain finance, KIT/IIRR.

3.2 Basic data

In Cameroon a community forest is part of the Non-Permanent Forest Estate (NPFE). This means that there is the risk that the forest will not be maintained in the long term. However through the Community Forestry law the government shows that it wants them to be sustainably managed. For community forests a management agreement with a validity of 25 years is signed between a rural community and the Ministry of Forests and Fauna (MINFOF). The management of the community forest – which should not exceed 5,000 ha – is the responsibility of the concerned community with technical assistance from MINFOF. Community forestry in Cameroon, as defined by the Forestry law of 1994, has three objectives:
(1) to enhance the livelihood of the rural populations;
(2) to conserve forest resources and biodiversity; and
(3) to improve local governance though the transfer and democratic implementation of management authority.
One distinguishes three phases in the development of CF:

- ➔ Phase 1: awareness raising, education, information, decision about the legal entity to be created, consultation meeting, delimitation of the CF, complete and submit the request for a CF, signing of the provisory management agreement.
- ➔ Phase 2 (2 years): elaboration of the Simple Management Plan (SMP), eventually of the Environmental Impact Assessment (EIA), exploitation according to the provisory agreement, signing of the definitive agreement (validity 25 years)
- ➔ Phase 3 (5 years): exploitation following the SMP; obtaining annual certificate of exploitation (ACE), transport letters, monitoring, control, fiscality, revision of SMP (every 5 years).

After the community forestry law took effect in 1994 it was in 1997 that the first community forestry management agreement was signed. Since then the number of CFs has steadily increased.

At the end of 2010 the statistics provided by the Ministry of Forests and Fauna (MINFOF) in Cameroon showed (source: Cuny, 2011):

- 291 Simple Management Plans (SMP) approved (933,000 ha)
- 182 community forests with signed management agreements (677,000 ha)
- 143 CFs received their Annual Certificate for Exploitation (ACE)
- (only) 43% of the CFs are really operational (Ingram et al, 2010)
- Average area of a CF dropped from 4,210 ha in 2006 to 3,208 ha in 2010 due to an increasing number of CFs in the savannah and mountainous areas which have a smaller forested surface.
- In 2011 CFs represent 21% of the total Non-Permanent Forest Estate. This could increase to 34% if all requested CFs are approved.

A full list of Community Forests as per 2008 is available upon request (Annex E). A more recent list could not be found. Generally one can distinguish more and less advanced CFEs in terms of organization, access to markets, business skills. Some of those supported by NGOs are more advanced. However in certain cases those that have been supported in the past are now less active and waiting for more support. It is difficult to make an objective ranking of CFEs regarding their performance, simply because this would require a full research of many months.

Above figures show that a substantial area (1 million ha) has come/is coming under the control of communities. It shows that there is great interest from rural communities to obtain management rights and exploit a forest area by themselves. Expectations of the communities are often high and focused on quick wins; some communities decide that 50% of revenues should be spent on social works for the benefit of the entire community, such as meetings places, class rooms, and water points. People often expect 'easy' and quick financial gains, rights and other benefits from the CFE , less attention is paid to responsibilities and obligations and to the efforts and own investments that the community should make to make the community forestry operations and business a success. Most CFEs have a weak representation of women, youth and minorities. Moreover one needs to be aware that the interest of women on one hand and of men on the other hand may differ. An illustration is the use of the Moabi tree (Baillonella toxisperma), which is present in most of the dense forests in South and East Cameroon. Women traditionally collect seeds of this tree and extract a valuable oil for own use and for sale. Women around Lomié have organized themselves to improve the moabi oil processing and marketing. They have an interest to conserve the trees. Men on the other hand will gain more money on the short term by selling the tree for its timber, which is in good demand and fetches a good price (see Schneemann, 1995). This causes a conflict of interest which needs a careful decision making process in order to prevent community conflicts. Both in Lomie and Mbang districts women have organized themselves in associations for collection and collective marketing of NTFPs, such as moabi and bush mango kernels.

From a global perspective small and medium forest enterprises increasingly gain attention as they generate considerable employment and income (Korup, 2007). Moreover in many countries around the world the area of forest/land coming under community management increases. This seems to be a long term global trend which goes hand in hand with decentralization processes in many countries. It can be expected that in the coming decades locally controlled forest management systems will become even more important.

As we have also looked at the opportunities with *council (or communal) forest* we describe these briefly. A council forest is part of the permanent forest estate (PFE) and requires gazetment on behalf of the concerned council of natural forest or a tree plantation on council territory. The land ownership is transferred from the state to the council. It takes 4-7 years to reach the exploitation phase. At present there are 7 council forest under exploitation, and a total of nearly 60 are being gazetted and cover a total area of around 1 million ha, which is 13% of the total permanent forest estate. The average surface is 20,000 ha. Council forests face three main challenges: 1) registration and gazetment is cumbersome, costly and time consuming; it may take many years; 2) the Environmental Impact Assessment (EIA) is expensive and becomes obligatory within the framework of FLEGT; 3) high costs of entire process (50 million FCFA or € 75,000), excluding demarcation, operational exploitation and monitoring costs and revision of the management plan. The Messondo council forest in Central region measures nearly 17,000 ha of forest and is surrounded by 6 villages, and was visited during the mission in May 2012. The council has signed a 5 year contract with an forest company for the actual exploitation. Village committees have been set up and the villages benefit FCFA 1,000 /m3 of cut timber. Each village also received a generator and a grinding mill from the forest company. As the Messondo council forest contains rich wildlife the

tourism potential is being explored. The CTFC (Centre Technique des Forêts Communales, supported by GIZ) assists council forest in many ways: feasibility studies, training of local farmers -forest committees, technical support and advice regarding negotiations and contracts with forest companies. In the first year (2011)of exploitation the Messondo council received FCFA 110 million from the company of which 30% is directed to the communities and 70% goes to the council itself. FSAS had a good impression of how the forest is being exploited. Interviewees indicated on the average mixed performances of council forests in Cameroon; some function well, others do not especially in terms of governance-accountability, SFM and social benefits. Council forests have two advantages over community forests: 1) their larger size makes them more interesting for buyers; mid 2012 concession holders showed a lot of interest for council forests either to exploit or to buy their timber; 2) Governance and organizational structure are in place and generally stronger than at community level, if corruption can be avoided.
First priority in coming 2-3 years will be to reach VPA- FLEGT norms; FSC certification can be a next step. Good scope for partnerships between council forests and concession holders.

3.3 Functioning of community forest enterprises

Most CFEs have been established with strong support from NGOs, and are registered either as a GIC (Group of common interest - for profit) or an association. Generally one can say that the functioning of CFEs needs considerable improvement and timber production of most CFEs is unstable. One year there is production and the next year there is none, because of a lack of funds to pre-finance (a) inventories, (b) application for the Annual harvesting permit, and (c) production costs.
Cuny (2011) analyzed that in 2008 only 13% of the potential annual harvest of timber (57,000 m3, or 900m3 per CF) has really been harvested, which meant that approximately 50,000 m3 was not exploited, with a value of 1.25 billion FCFA (€ 1.9 million) for all CFs, or €30,000 for each CF.
Exploitation rate is low due to three main reasons: (1) the late delivery of the annual certificate of exploitation (ACE) by the ministry, due to heavy administrative procedures. This leaves little time for exploitation; (2) lack of markets and (3) lack of means of operation (working capital to pay inventories, permit application, and production costs such as labor, fuel etc).
According to Cuny (2011) the following main constraints do hamper the process:

1) Inventory if performed by a professional company is expensive. If it is done by NGOs the quality is not guaranteed;
2) fragile partnerships with economic forest operators (millers) and buyers who put the community under pressure at time of harvesting and trade negotiations;
3) widespread illegal exploitation inside and outside community forests. The illegally harvested products enter in an unfair competition with those legally produced;
4) insufficient definition and conceptualization of the concept of "community" which often leads to many conflicts.

The findings of the desk study and observations during the mission in Cameroon have been summarized in a SWOT analysis framework as below (next page).

We see that Community forestry operations have a large potential in terms of community development and conserving part of the Cameroonian forest because:

- ➔ an increasingly large area of forest is coming under control of communities
- ➔ Ingram et all (2010) have studied the costs, benefits and impacts of eight community forests on livelihoods in Cameroon. They conclude that "CFs do contribute to improvement of livelihoods" and "provide for (more) sustainable forest management".
- ➔ there are a number of good examples of CF supported by (I)NGOs. A Nature+ supported community realized considerable social investments (meeting hall, classroom, storage, water point, tree nursery).
- ➔ demand for CF timber (certain species) is considerable (domestic and high end niche markets)

We observed good examples of CFEs that generated considerable revenue and invested large amounts in social works that serve the community, e.g. in Ngambe Tikar (author's own observation, 2012) and Lomié (Metse Pachong (2009).
Research by CIFOR a.o. (Ingram et all, 2010) shows that CFEs do contribute to improvements in communities' livelihoods and do provide for (more) sustainable forest management.
The CIFOR research recommends:

1. institutional reforms in implementation of CFs to ensure equity of CF and continued benefits to all actors;

2. organizational changes by government and especially support actors to increase profitability and equity of community forestry: address the factors that influence success; and
3. factoring in Payment for Environmental Services (PES) which is critical for long term sustainability.

Tabel 3.1 SWOT of Community Forestry sector in Cameroon

Strengths	Weaknesses
• One million ha of community forests under control of communities (decentralized management) • Source of income both for community and individuals (contribute to better livelihoods) • Awareness about the value of forests • Various efforts in capacity building by government and (I)NGOs • People and communities get organized around Community Forestry, establish associations, small enterprises and federations • CF as a learning ground for management and democratic skills at community level	• Weak level of ownership and commitment by local communities (awareness raising in phase 1 too short, external initiation); • Weak transparency and governance: poor conflict resolution mechanisms, financial misappropriation, no control by forest service • Weak representation of women, youth, minorities • Lack of (financial, technical and human) means to enable the communities to engage in the three phases of the process • Weak capacities of the management entities (GIC, associations) • Heavy and costly regulatory framework - technical and administrative procedures; • Weak knowledge of and adaptation to timber markets (national, international)
Opportunities	**Threats**
• Further improvement of livelihoods and locally controlled sustainable forest management • Scaling up and cost reduction through organizational clustering, e.g. Group certification • New simplified procedures (2009) offer potential to increase positive impacts • Banks and MFIs showing some interest for SME sector • High end niche markets demanding community timber and offering attractive prices for quality timber • FLEGT aims to minimize the widespread illegal small scale sawmilling • Support for certification of Small and Low Intensity Managed Forests (SLIMF)	• Elite capture of community forests' benefits • Corruption • Illegal small scale chain-sawing competing with legally or sustainable produced timber

Source: Schneemann compilation, based on Cuny (2011) and own observations May 2012 Cameroon mission

Looking at the SWOT we identify the following main challenges:

➔ lack of good governance and fair distribution of resources and benefits generated by community forests

➔ small size of CFs limiting their economic value and increasing transaction costs. This necessitates clustering of several CFs which requires good communication, trust and coordination

➔ lack of practical on the ground monitoring and control of forest operations (task & responsibility of Ministry) --> management plans are not adhered to --> illegal exploitation practices

➔ building viable and sustainable (well run) community forest enterprises; here there may be fraction between the social model (CF belonging to the entire community that expects equal social benefits for all) and the economic model (running it as a private enterprise). Need for change of mindset towards entrepreneurship, discipline and 'culture' of making savings for next years' working capital (inventory, CAE, production costs).

- ➔ lack of technical support by the government (which according to the law it should provide) and dependency on subsidized support by NGOs. Mechanism is needed which provides for capacity development, education and coaching of CFs in the long run. Support organizations have a limited project cycle.

Above constraints and needs have to be seen in the context of several decades in which the income of the timber has mainly gone to the state, to elite and corrupt officials. Timber revenues have been scarcely reinvested in education, health and infrastructure in the regions where timber was exploited. Result is that educational and organizational levels in forest regions are generally low.
Similar observations are done by IIED, see box 3.1.

Box 3.1 Building profitable and sustainable community forest enterprises

Building profitable and sustainable community forest enterprises

Twelve international case studies by IIED (2009) show three main enabling conditions for building profitable and sustainable community forest enterprises:

1. Secure commercial forest rights for communities
2. Strong social organization
3. Competitive business skills

Forest Connect network & IIED develop tool kit for supporting small forest enterprises . http://forestconnect.ning.com

3.4 Support provided to community forestry enterprises

This section consists of an overview of support organizations, needs for services, and possibilities for collaboration.
There is a large number of Community Forestry support organizations. In the table below a large number of support organizations are listed. Per organization we list a/o the projects in which they are involved, the type of support they supply and the geographical area in which they supply their services. In annex F the full table with details can be found.

As result of the work of support organizations clusters of Community Forests have been created, with the aim to increase scale and efficiency. Examples of the clusters are:

- ➔ AFCONT (Ngambe Tikar), REFOCOD (Lomié), REGEFOC (Boumba and Ngoko), UFCD (Djoum), AFCOM (Ebolowa), supported by SNV and/or Nature+, and local service providers
- ➔ REGEFOC, UFCOMBI (Messamena), PLEFCOCAM (Campo Ma'an); supported by WWF
- ➔ ASFOKA (Kadey); supported by CRS & CARFAD/FAO
- ➔ several clusters of CFs supported by different NGOs: CAFT, OCBB (Lomié), CAMECO (Central region), CEPFILD (South), CAFER, CIFED, APIFED.

FSAS observes an improved level of organization and clustering of CFEs compared to some five years back when there were practically no clusters (associations and federations). All associations or federations that group several CFEs and which provide services to their members. They also enable to cumulate commercial volumes, which is more interesting for buyers.

Table 3.2 Overview of Community Forestry support organizations in Cameroon

Support organi-zation	Name project(s)	Type of support	Location / beneficiaries	Since / period
CAMECO	Community Forestry projects	1) Support acquisition and exploitation of CFs. 2) Capacity development of actors	Works with 10 CFs in Central and Littoral region , total 33,000 ha.	Since 10 years
CED	Community forestry; Payment for Environmental Services project	Sustainable forest management and improve living conditions ; REDD+ pilot and role of rural communities.	Lomie (East) and Djoum (South)	Many years
CEPFILD	Community Forestry projects	1) Support acquisition and exploitation of CFs. 2) Capacity development of actors		Several years
CRS	FCCP: Foresterie Communautaire pour Combattre la Pauvreté	1) obtain and exploit CFs ; 2) awareness raising on annual forest tax (RFA)	Kadey department-Batouri, Nedelele and Mbang districts.	2006-2011 (new phase expected)
ICCO	Sustainable Forest Management (SFM) Program with partners SNV, Cameco, SCNIC, CEPFILD.	Strengthen business case of Community forestry through value chain development& Business service provider; grants and loans. Capacity building, clustering and strategic cooperation of partners .	East province, mainly Lomie district Central and Littoral region	Since 15 years. Support ended in 2011.
MINFOF	Project "RIGC" (Strengthening of initiatives of community management of forest and wildlife resources)	Support elaboration of simple management plans, inventories and equipment (chainsaws and Lucas mills). Awareness raising, training of actors (Forest service staff, rural communities, service providers-NGOs)	Nationwide	Ongoing
Nature+	PDFC (Programme de Développement des Forêts Communautaires)	Technical, administrative and organizational support.	Lomie (East) Ebolowa, (South) Ngambe Tikar (Central)	ends by December 2012
SCNIC	Business Development Services provider	Broker between producer and market for a fee	Lomie	Since 2006
SNV	Community forestry program Project "Promotion of production and legal exportation of timber that originates from Community Forests" (PEL-FC)	1) Technical, administrative and organizational support. 2) Develop private sector (business service provider 3) Awareness raising about NTFP and quality standards 4) Legality	East, South and Central Provinces;	Since 15 years PEL-FC project ending December 2013
WWF	Several projects:	Supports CFs around protected areas, takes Community Forestry Enterprise approach	East and South	Overall : since 2003

Source: FSAS (2012), based on Cuny (2011) and FSAS desk study and interviews May 2012

Some examples of clusters:
An example is the Association-Federation des Forêts communautaires de la Kadey (ASFOKA), which has 25 members. ASFOKA participates in national discussions and has good knowledge of certification and FLEGT. Similar associations exists in Ngambe Tikar, Boumba et Ngoko, Campo Ma'an and Djoum. The associations often have documented harvestable volumes of commercial species for marketing purpose, although experience shows that are not always reliable. Another example: ICCO partners that - with support from SNV - formed a group of 32 CFEs under leadership of SCNIC as a service provider. They organized themselves in preparation for FSC group certification, developed manuals and a feasibility study was carried out. It is unfortunate that the moment ICCO stopped its support, the group did not pursue the process towards certification.
REGEFOC is a network of Community forests in the Boumba and Ngoko, around Youkadouma. They have around 20 members, have done inventories and listed all species of timber and harvestable volumes. As a network they promote CF and look for buyers. SNV supports the network with technical assistance that is locally based. The 6 best ranking CFs are being supported by SNV in a FLEGT/VPA pilot project. SNV will assist the CFs to be able to satisfy the legality requirements that will be determined in the framework of VPA/FLEGT. A gap analysis was done in Campo Ma'an, Lomie and Yokadouma to see how far away is FLEGT: the score was around 50% of norms. The registration is in order, but technical implementation and distribution of benefits are weak spots. In Yokadouma the analysis of ten out of 20 of the CFs showed a number of constraints as follows: documents are not shared nor well kept; no business plans; roles in the CF organization are not clear; women and Baka pygmies are not involved; low contribution of the members towards costs of exploitation. It also showed that 100% of exploitation costs are pre-financed by the buyers, written sales contracts do not exist nor a production and sales data base. REGEFOC complained about the absence of serious buyers. WWF will do (has done) a feasibility study for a timber stock place in Yokadouma town to sell at the local market. Besides the timber the CFs are rich in NTFPs such as bush mangos, moabi oil and spices (Ndjangsan) for which markets exists (Source: interview FSAS May 2012).
FSAS also visited the Association AFCONT in Ngambe Tikar, representing three CFEs covering a total of 12,000 ha, see figure 3.2. The association generally plays the same role as REGEFOC, exploring markets and buyers is a main activity. The association is supported by Nature+ and local service providers in the form of training and education in inventories, making of an investment plan, organizational capacities, governance etc.
In many associations there is need for a good description and awareness about the division of roles, responsibilities and obligations between the association/federation and the CF members/committees.

Table 3.3 : Community Forests supported by 'Partenariats pour le Développement des Forêts Communautaires' (PDFC) of Nature+

REFOCOD (Lomié, Région de l'Est)					
	Entité juridique	**Villages**	**Localisation**	**Surf (ha)**	**Habitants**
	GIC CFB5	Medjoh	District Dja	5.000	711
	GIC ECONOME	Mindourou	District Dja	4.042	3.489
	Ass. COBANKO	Kongo, Kongo Baka	Arr. Lomié	3.000	641
	Ass. COBAKAM	Zoulabot 2, Zoulabot2 Baka	District Messok	2.459	711
	AVILSO	Bingongol 1 et 2, Messassea, Mintoum, Mintoum Baka	Arr. Lomié	3.600	1.595
	ASS COVINKO I	Nkondong I	Arr. Ngoyla	3.200	67
	Nzienga-Mileme	Eschiembor	Arr. Lomié	4.490	477
	COBAKA	Karagoua	District Messok	2.850	505
	TOTAL REFOCOD	***8 FC***		***28.641***	***8.196***
AFCOM (Ebolowa, Région Sud)					
	Entité juridique	**Villages**	**Localisation**	**Surf (ha)**	**Habitants**
	GIC COFONEABAME	Alotom, Ababendoman, Adjap, Mebo'o, Etouptouba Ndi,Ondondo, Essam	Arr. Biwung Bulu	5.000	8.000
	DIMEG 1&2	Mvila-Yevol, Mintom, Nkoadjap, Aloum Yemvog, Tchangue	Arr. Biwung Bulu	5.000	
	NGOMA	Nkonmedjap II, Ngomeden, Mamenyé	Arr. Biwung Bulu	5.000	
	TOTAL AFCOM	***3FC***		***15.000***	***8.000***
AFCONT (Ngambé Tikar, Région Centre)					
	Entité juridique	**Villages**	**Localisation**	**Surf (ha)**	**Habitants**
	GIC CRVC	Mambioko	Arr. Ngambé Tikar	4.998	231
	SODELAB	Kindie, Oumgbé, Makan, Mambé	Arr. Ngambé Tikar	4.986	258
	ADIMMN	Ngoundje, Mbioko	Arr. Ngambé Tikar	2.000	
	TOTAL AFCONT	***3 FC***		***11.984***	***489***
TOTAL PDFC		**14 FC**		**55.625**	**16.685**

Source: Nature+

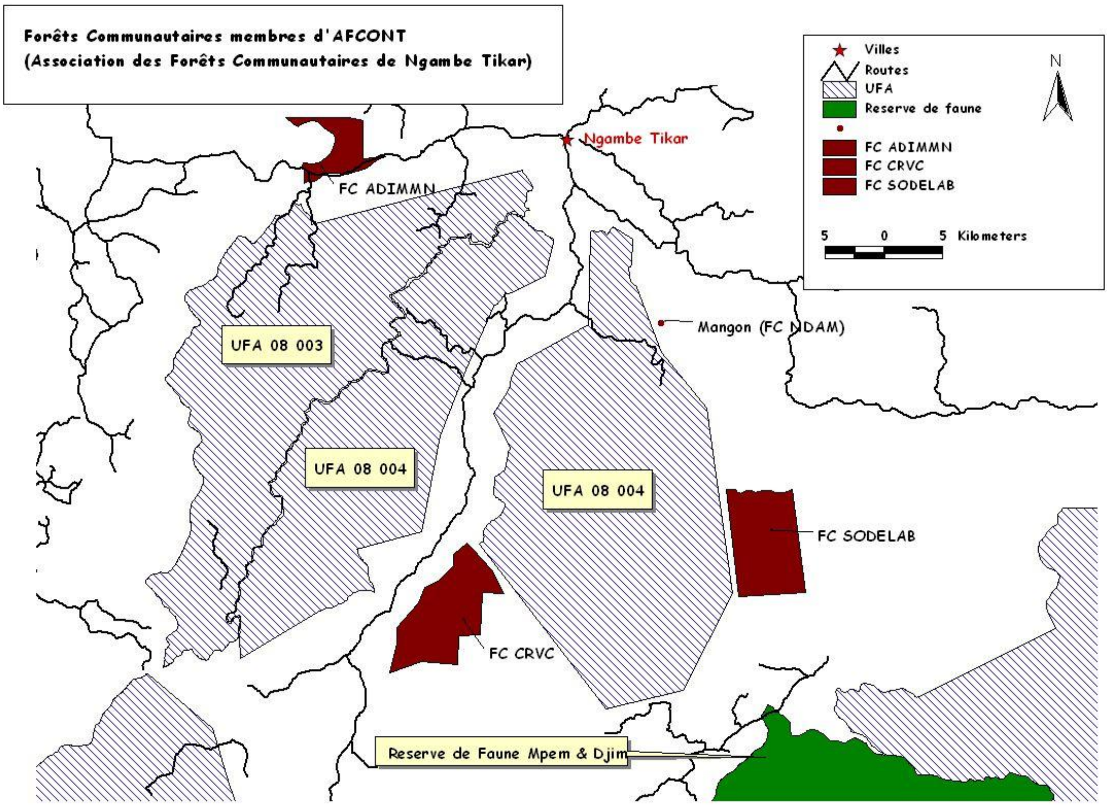

Figure 3.2 : Map of Community Forests of AFCONT, Ngambe Tikar

Private sector actors in the forest and wood sector which are relevant to community forest enterprises are:

- ➔ ASTRABOIS (Association des travailleurs du bois de l'Est): this association/company buys timber from community forests around Bertoua
- ➔ Association ´de vendeurs de depots´: they buy and sell sawn community timber
- ➔ Concession holders: construct, improve or maintain road infrastructure; need good relationships with concession fringe communities
- ➔ Medium size Cameroonian exploitation companies such as CAMWA, that operate in council forests

Relevant Donors in the forestry sector are:

- ➔ GIZ (Programme Sectoriel Forets Environnement (PSFE); bilateral program with institutional, governance, public finance and decentralised forest management components: support to communal forests through CTFC: Centre Technique Forêts Communales;
- ➔ FAO (8 Community Forest projects are funded through ACP FLEGT program)
- ➔ EU (1 Community Forest project funded through the 10th EDF)
- ➔ KfW (COMIFAC certification program) has shown interest to validate and make use of blocked savings and RFA funds, and use as catalyst for CF (investments). Making use of microfinance mechanisms, training and action, and ICT-software.
- ➔ FEICOM (Fonds spécial d'Equipement et d'Intervention Intercommunal): this is the ´Council Bank´ (banque des communes) that provides loans to councils.

It is clear that many different actors are involved in the Community Forestry sector. It seems there is not one roadmap or a harmonized approach, although national CF conferences take place during which policy issues are debated and exchange takes place. For example civil society organizations have discussed the revision of the 'Manuel de Procedures' and provided input to the Ministry. FSAS concludes that (more structural) alignment of the interventions of different support organizations could contribute to more effective interventions. Such dialogue could involve CBP and actors such as KfW, SNV, WWF and other (local) support organizations.
There is also need for a sustainable mechanism of service provision to community forest enterprises; this could take shape through the establishment of a CF fund that can be filled with REDD+ funds. This however is not the role of the CBP.

3.5 Conclusions and recommendations

Conclusions

1. Rural populations in Cameroon show great interest to obtain management rights and exploit a forest area by themselves. One million ha has come or will be coming under the control of communities; in 2010 180 Community forests had signed management agreements (covering 677,000 ha). Community forestry has become a factor of importance in the forestry sector in Cameroon and needs to be taken into account in plans for sustainable forest management.
2. Many communities have high expectations and focus on quick financial returns. Communities pay less attention to the 'efforts' by the community in order to develop the business. Most (if not all) CFEs do not have a business plan. Some communities do have investment plans and decide that as much as 50% of revenues should be spent on social works for the benefit of the entire community, such as meetings places, class rooms, water points. For community development this is positive and shows the community spirit. However from a business point of view it makes more sense to strengthen the business during the first years by saving and reinvesting larger part of the revenues in the business (e.g. in the next years inventory and production).
3. A large number of NGOs supports Community Forest groups, because it contributes to livelihoods and to sustainable management and local control of forests. Most CFEs are established with considerable NGO support. Support services concentrate on administrative, organizational and technical support and general capacity building.
4. None of the CFEs is certified, nor is it expected that this will happen autonomously. Reasons are that practically none of their buyers does require FSC certification, high costs of certification, low timber production level (volumes, regularity, reliability) of CFEs. CBP can play a role to overcome these hurdles as will be described in this report.
5. Figures and indications show large under-exploitation of the approved harvest volumes. In potential this leaves much room for higher yields.

Recommendations

1. In FSAS' view CF support organizations need to pay more attention to the value chain approach and to view community forest enterprises (CFEs) as actors in a chain. In a value chain approach, production is based on market demand and on specific customer requirements. In the long term this perspective provides more sustainable solutions and will not (or much less) depend on subsidies. This approach is in line with the overall strategy of the IDH to transform markets towards sustainable practices.
2. In the same line of thinking support organizations should pay more attention to market linkages, business planning, access to finance, entrepreneurship, production logistics, exploitation techniques, improving inventories techniques and capacity. CFEs should be encouraged and supported to make business plans. We recommend the CBP to invest in capacity development in these crucial areas or alternatively ensure that other donors provide this support.
3. Many support organizations are involved which sometimes do not know what others have already experienced and learned. Therefore we recommend the collection and sharing of best practices and lessons learned regarding the sound development of community forestry in Cameroon. This could be done by a central coordination point or resource center and will have an added value as it will lead to more effective interventions.

4. Semi commercial partnerships

4.1 Activities and results

One of the objectives of the CBP is to establish 5 (semi) commercial partnerships between concession holders and community forest enterprises (CFEs). These partnerships can have a trade component (e.g. CFEs selling to the concession holder) or educational elements (training of CFEs by the company), which explains the word *semi-commercial*. The rational and assumptions behind this target are:

- ➔ If CFEs sell timber through the company this creates a source of income for the CFEs
- ➔ CFEs would benefit from skills and know how of the concession holder, e.g. on forest management or inventory techniques, certification
- ➔ Community forests could complement the supply of timber to the larger companies
- ➔ Semi commercial partnerships would strengthen and improve the relationships between concession holder and communities surrounding the concession

<u>Rainforest Alliance, 2009</u>

Analysed 14 partnerships cases in Latin America, through field visits, interviews, analysis of level of success & variables.

Key success factors:

1. Level of business skills, financial management & human capacity of communities
2. Support level for this type of relationship by business & political environment
3. Level of trust between company and community

and → Strong need for technical assistance for both communities and companies.

Box 4.1 Key success factors in community – corporate partnerships

Source: Rainforest Alliance, 2009

Early 2012 FSAS concluded that none of the potential partners companies (concession holders) in the CBP were interested and willing to enter into (semi) commercial partnership with community forests. Reasons are the disappointing experiences they have so far with community groups, which in their view are not reliable, can easily change their minds or sometimes do not speak with one voice (due to different factions within the community). Community forest areas and commercial timber volumes are often too small to be interesting for the large companies. As a consequence it was not possible to prepare a number of letters of intent for these partnerships as was planned.

A study by Rainforest Alliance in Latin America (see box 4.1) shows that the success of community – corporate partnerships in 14 cases depended on factors like trust, level of business skills and human resources as well as the level of support by the business and political environment. Relationships that focused on forest management or on wood processing without strengthening internal community structures were not successful over the long term (Hewitt and Delgadillo, 2009). Other factors that promoted the relationship are: written agreements, clear rules and transparent negotiation; third party facilitation enabling the relationship but not creating dependency. When in the future options for partnerships are again considered these are important issues to take into consideration.

If we look for alternatives for the (semi) commercial partnerships we found <u>two options:</u>

1) Engaging council forests in the CBP. Concession holders do show interest in the timber stocks of council forest which have a size up to 30,000 ha. Their management is in the hands of the municipality which is better organized and due to their size council forests have larger commercial volumes. Negotiations between some concession holders and council forests are underway and these partnerships could offer potential for the CBP to engage council forests to become FSC certified, especially if the concession holder has a FSC market for them. The CTFC (Centre Technique de la Forêt Communale), supported by GIZ, supports council forests in Cameroon. FSAS established constructive contacts with CTFC during its mission in May 2012.
2) Forming a group of advanced CFEs with a buyer as group manager: in this option a number of CFEs forms a group and creates a bond with a commercial timber buyer who becomes manager of the FSC group certification scheme.

After consultation between CBP and FSAS, CBP decided to focus on the second option and asked FSAS to further analyze the option of FSC group certification including collection of lessons learned. This option will be elaborated in chapter 7.

4.2 Conclusions and recommendations

Conclusions

1. Unfortunately no semi-commercial partnerships between concession holders and community forest enterprises could be identified. None of the concession holders, which were to become partners in the program, were willing to enter into a partnership with community forests.
2. FSAS concludes that the time has not yet come to engage concession holders for partnerships with community forest enterprises. This can change in the coming years when CFEs will be better organized and able to operate their business in a more professional and viable way.

Recommendations

1. We recommend CBP to take stock of possible new opportunities for partnerships between companies and community forest enterprises in a year time.
2. The option to develop a trajectory with the final goal of FSC Group certification has momentum as two buyers have shown interest and commitment. See section 7.
3. CBP is recommended to also keep track of the option of council forests and stay in contact with CTFC to explore if concession holders and council forests can commit to SFM and FSC certification.

5. Access to finance

5.1 Access to Finance in Cameroon

In Annex D you will find a full report on the Financial Sector of Cameroon resulting from our FSAS desk study. This full report describes the level of Access to Finance in Cameroon and lists all banks active in Cameroon at the time. Through a desk- and internet study we have researched the services offered by each bank and which potentially could be useful for the Forestry Sector in Cameroon. Also through desk- and internet study we have researched the major Micro Finance Institutions of Cameroon and their suitability for servicing the Forestry Sector. For a full description of the identified Banks and Micro Finance Institutions please see the annex. In the following paragraphs of this summary we only list those banks and MFI's, which to our opinion, could potentially be the most interesting to approach for providing their services to the Forestry Sector.

The Doing Business 2012 ranking of the World Bank[1], places Cameroon on rank 98 (out of 183), regarding Access to Credit in 2012. This while the ranking in 2011 was still significantly lower, namely 139. Improvements over the last year have been: an increase in strength of legal rights and increase of coverage of public registry. However, 68.02% of firms still identify access to and cost of finance as a major constraint[2] in Cameroon.
If we look at some detailed information of the World Banks' Doing Business 2012 report regarding Cameroon, we see the following particulars of (in)direct importance to the timber & NTFP sector in Cameroon: Strength of legal rights index (0-10): score Cameroon 2012: 6

- Any business in Cameroon can use moveable assets as collateral while keeping possession of the assets; and any financial institution accepts such assets as collateral (such as vehicles and saw mills), etc.
- In Cameroon a general description of debts and obligations is permitted in collateral agreements, all types of debts and obligations can be secured between parties; and the collateral agreement can include a maximum amount for which the assets are encumbered
- But, there is not yet a collateral registry in operation in Cameroon, that unifies geographically and by asset type, with an electronic database indexed by debtor's names.
- Another major obstacle is that in Cameroon secured creditors[3] are, in practice, not paid first (i.e. before general tax claims and employee claims) when a debtor defaults outside an insolvency procedure.
- Also secured creditors are not paid first (i.e. before general tax claims and employee claims) when a business liquidates.

According to the IMF there is considerable scope for progress with regard to the supply of finance to SME's. However there are obstacles from the demand side as well. In particular access issues need to be considered within the broader context of improving the business environment. These actions should include support for SMEs to strengthen their technical, administrative and financial management capacities.

Table 5.1 shows the actual percentages of firms having access to bank loans in Sub Saharan Africa, Cameroon and 3 other African Countries for comparison. From this table we can conclude the following:

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[1] http://www.doingbusiness.org/data/exploreeconomies/cameroon/

[2] The computation of the indicator is based on the rating of the obstacle as a potential constraint to the current operations of the establishment

[3] Definition of 'Secured Creditor': Any creditor or lender that takes collateral for the extension of credit, loan or bond issuance. In the arena of personal finance, the most well-known secured creditors are mortgage lenders whose loans are secured either by a first or second lien on a property. Investopedia explains 'Secured Creditor': Secured creditors have the most senior protection in bankruptcy, since they have specific assets that collateralize their loans. Secured creditors also generally have the right to repossess or foreclose on the property against which a lien is held when the borrower is in default. In the case of Cameroon the problem is that the secured creditor is not always able to execute its legal securities.

In Cameroon the % of small and micro firms with bank loans surpasses the average % of firms in Africa with a bank loan, this while DRC and Ghana score significantly below the African average and no data are available for Gabon. Nevertheless all three countries, including Cameroon, score below the African average in number of SME's using loans.

Table 5.1 % of firms having access to bank loans

Indicator	Africa	Cameroon	Dem Rep of Congo	Gabon	Ghana
CREDIT					
Business loan processing time (days)	6.53	12.67	3.50	1.00	5.00
Startup loan processing fee (%)[4]	1.07	0.80	0.56	1.00	2.00
Collateral-to-loan-value ratio (%)	90.45	100.00	85.00	-	90.00
Maximum terms for startup loan (years)	4.60	4.50	1.50	-	5.00
Index of business loan application complexity	0.75	0.50	1.00	0.00	0.88
Index of collateral flexibility	0.71	0.81	0.72	0.89	0.00
SMALL & MICRO FIRMS [4] USING BANK LOANS (% of firms)					
Small firms with bank loans	27.00	32.00	5.03	-	12.26
Micro firms with bank loans	19.00	22.58	3.68	-	10.00
Small firms that use loans for working capital	9.82	10.55	1.62	-	3.56
Micro firms that use loans for working capital	8.35	7.76	1.42	-	2.79
Small firms that use loans for investment	12.51	5.37	3.61	-	3.11
Micro firms that use loans for investment	10.06	4.75	2.90	-	2.49
Small firms that view access to finance as constraint	81.00	80.81	95.88	-	94.97
Micro firms that view access to finance as constraint	67.00	70.35	88.82	-	86.36

Source: Doing Business 2012, Worldbank

5.2 Financial Sector of Cameroon

Cameroons financial system is the largest in the CEMAC. The banking system consists of 11 commercial banks (of which the 6 largest are foreign owned) and 2 government-owned specialized financial institutions (CAMPOST and CFC). 3 of the 11 commercial banks and three of the nonbanking financial institutions are specifically targeting SMEs as their main customers, and 2 others banks have special units dedicated to financing for SMEs. However, High credit risk, together with the lack of long-term deposits, has resulted in limited lending activities to SMEs and in the predominance of short-term lending.

Some banks are concluding strategic alliances with MFI's in order to explore and deepen their penetration of the SME market. The remainder of the sector is represented by: nonbank financial institutions, insurance companies, 2 pension funds a social security fund and over 700 MFIs.

5.2.1 Banks of Cameroon

A desk- and internet research of all active banks in Cameroon resulted in the identification of the below 4 banks (in order of attractiveness) as the potentially the most suitable for serving the timber sector. FSAS would recommend visiting these banks with concrete investment opportunities in order to explore the possibilities and limitations of those banks in serving the timber sector.

Ecobank

Next to a large range of short-, medium and long term credit products, Ecobank International a/o offers the unique financial product Supply Chain Finance[5]. It features Receivables Based Financing, Trade Loans, Inventory/Warehouse Finance and other options. These solutions are designed to meet their clients' trade

[4] Micro firms 0-10 employees, Small firms 10-49 Employees

[5] Source: http://www.ecobank.com/supply.aspx

requirements. This information is supplied through the International Ecobank website. It is not clear if this product range is also offered by the Ecobank Cameroon.
Even though it is not clear if Ecobank Cameroon offers all services in the range of Ecobank International, Ecobank Cameroon would be a good starting point for negotiation in Cameroon if timber companies are in need of supply-chain finance, long-, medium- or short-term credit. This because experience and know-how concerning supply chain finance is available, in reach and actively promoted within and by Ecobank International.

Standard Chartered Bank
The bank offers standard financial products mainly geared towards enterprises and institutions. It a/o offers factoring, regular credit and trade finance adapted to the cycle of the enterprise. The internet does not offer much information about the specific service of Standard Chartered in Cameroon. From other African Countries FSAS knows that they have been known to be somewhat innovative in supplying finance to MFI's and enterprises in an innovative way and as first mover. FSAS would recommend to visit Chartered bank with one or more specific cases of entrepreneurs or groups in need of financial services in order to discuss the possibilities and limitations of Standard Chartered Bank in Cameroon specifically.

Afriland First Bank – Cameroon
Afriland First Bank – Cameroon was founded in 1987 with a/o clear development oriented objective, striving for poverty reduction, development and economic recovery through a/o the recognition of SME/SMI. Next to the regular banking services the bank offers micro finance and focuses also specifically on Rural Development, SME/SMI and communities through specific services such as:

- ➔ MC2 Loans: collective and individual loans for agriculture, trade, livestock, craftsmanship, housing, studies, traditional events, health, weddings, equipment, etc.
- ➔ Venture Capital
- ➔ Micro Trust Fund (MITFUND): a venture capital fund for micro-projects. Since its creation in 2000, MITFUND has financed more than 200 micro-entrepreneurs and micro-finance institutions.

Banque International du Cameroun pour l'Epargne et le Crédit (BICEC)
With almost 300.000 clients and 32 agencies, the BICEC is the largest banking network in Cameroon. The bank mainly supplies mid-term credit products, 2nd are short term credit products, 3rd overdraft facilities and 4th long-term credit[6]. Specifically for enterprises the bank offers investment credit (crédit d'investissement) for investment in immovable realty. Also the bank offers leasing products (crédit bail) for equipment and machinery. Next to these long-term credit products the bank offers a number of short-term-products specifically for enterprises, ranging from short term loans/overdraft facilities for short term cash flow problems (escompte de papier commercial), seasonal credit (crédit de campagne) specifically aimed at enterprises which are active in seasonal activities and Factoring Services (BICEC Factor) where an enterprise offers all its outstanding debtors to the bank for the bank to collect payment. This being an interesting option for those enterprises who have to deal with a long waiting period between the moment of invoicing and receiving actual payment.

5.2.2 Cooperation between Banks & MFI's in Cameroon

The existing joint activities of the following Bank-MFI-combinations are interesting for CBP to know, and if active in the same region as the CBP to seek cooperation in order to service the timber-activities of the communities partnering with CBP:
a) Ecobank (bank) & ACCION International – EB-ACCION (MFI)
b) Afriland First Bank (bank) – MC2 (MFI)
c) BICEC (bank) – ACEP (MFI)
d) SGBC (bank) & Horus finance – Advans Cameroon (MFI)
The 4 banks involved in these joint activities happen to rank in the top 4 of our analyses above, making these 4 banks even more interesting to explore.

5.2.3 Demand for finance by FSC timber communities

Below you will find a description of the main MFI's, the MFI's in cooperation with banks and other promising MFI's found through our desk research. In order to narrow down the number of MFI's promising for the CBP timber communities; we estimated the average need of finance of an average timber

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[6] Source: annual report BICEC 2010 http://www.bicec.com/pdf/Rapport_annuel_Bicec_2010.pdf

community. The calculations are based on the earlier analyses of two studies of SCNIC. Our analyses of those two studies, May 2012, showed that for the exploitation of 1 M^3 of legal timber a community needs to spend 370 €. Other assumptions made are:

- ➔ In order to break even each community should at least exploit 200 M^3 per year and sell at FOB price of € 550
- ➔ Each community can produce and sell 8 months per year
- ➔ 4 month delay between legal timber production and receipt of payment from the client
- ➔ The community has no reserves
- ➔ Below calculation is based on cash flow calculations and does not take into account non-cash costs such as depreciation.

Table 5.2 Cash flow calculations - YR 1 - with external finance - All amounts in Euro

	Jan	Feb	Mrt	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
M3 timber	50	50	25	12,50			12,50	25	12,50			12,50	200
Costs legal	18.500	18.500	9.250	4.625	0	0	4.625	9.250	4.625	0	0	4.625	74.000
Sales legal	27.500	27.500	13.750	6.875	0	0	6.875	13.750	6.875	0	0	6.875	110.000
Receipt of cash	6.875	0	0	6.875	27.500	27.500	13.750	6.875	0	0	6.875	13.750	110.000
Loan	15.000	20.000	5.000	0	0	0	-40.000						0
Cash position after loan	3.375	4.875	625	2.875	30.375	57.875	27.000	24.625	20.000	20.000	26.875	36.000	

Source: FSAS 2012

From the above table and assumptions we can conclude that an average community, producing at a maximum capacity of 200 M^3 per year, without reserves, would need a 40.000 € loan for the duration of 7 months in order to meet all expenses and in order to keep a positive cash flow. In the example the loan is disbursed to the community in monthly transfers during the months January to March, while the loan is repaid to the lending bank in one bullet payment in the month July.

It is important for the community to build up a reserve (making savings from income) in order to become more independent from external financing and to avoid high financial cost.
Most likely none of the MFI's active in Cameroon will be able to cater for the above indicated amounts in credit. If working through an MFI seems interesting due to the presence of a strong MFI in the communities' geographical area and the absence of a bank in that same area, one could explore for collaboration between a bank and an MFI.

5.2.4 Micro Finance Institutions of Cameroon

The Cameroon microfinance landscape is dominated by class one institutions that control close to 86% of the market in terms of number of institutions and outlets, this with CAMCCUL as the market leader controlling a 55% of the overall market.
A total of 26 Cameroonian Micro Finance Institutions are registered with the Mix Market. Next to these institutions the following affiliated organizations are present in or working in Cameroon: 3 MFI-funders, 6 MFI networks and 7 MFI Service providers.
Informal institutions remain very strong in some rural areas of the country, with traditional associations, peer groups, "njangui", elderly people and money lenders still competing effectively due to their 24hrs access, flexibility and matching of payments to the major income stream of the individual.
Annex D provides more detailed information on 8 Cameroonian MFI's.

5.3 Conclusions and recommendations

Conclusions

1. Community Forest Enterprises need substantial working capital to operate (an indication for the annual production of 200m3 sawn timber is a 7 months loan of € 40,000).

2. Three of the existing commercial banks and three MFIs are specifically targeting small and medium enterprises as their main customers.
3. FSAS concludes that there is scope for matchmaking between these financial institutions and the community forestry sector.

Recommendations

1. FSAS would advise CBP forestry program to identify one or more forest activities which it would want to support, being private initiatives with a developmental impact or community forestry activities. After identification two important aspects need to be determined:
   - ➔ Is the selected activity (private or communal) (potentially) profitable on a short term?
   - ➔ What is the exact need for financial services of the community or business undertaking these activities? Be specific in the different types, amounts, duration and thus form of financial need (equity investment, loan, guarantee or grant, seasonal, long term, etc).
2. Based on this final selection, representing potentially profitable ventures and their specific form(s) of financial demand, the CBP should identify (making use of this study) the most interesting banks and or MFI's to connect to these initiatives. The choice for a particular bank should depend on geographical presence and type of financial product demanded on the one hand, and offered on the other hand. This will never match 100%, so negotiation will be necessary in which the CBP program can play an important role.

6. Buddy system

6.1 Buddy system: activities undertaken

This section describes the activities undertaken by FSAS, and results thereof, with regard to the development of a 'buddy system' of service providers (NGOs, companies).
The CBP aims to strengthen the capacities of local service providers, NGOs and others in the Congo Basin countries. Capacity building of local SPs is stimulated through the so called "buddy-system" where experienced service providers (SPs) and less experienced service providers work together to deliver the demanded service to the concession holder. In this way, the level of knowledge on responsible forest management and the implementation thereof will increase at both the service provider's level and the concession holder's level. The rationale for service providers to cooperate with each other is that together they can provide a higher quality service, for example if one has more knowledge of the local environment and social settings, and the other has state of the art technical expertise. By joining their forces their services will improve and become more attractive thanks to the complementary expertise and knowledge.

Box 6.1 Buddy System (dis)advantages

What makes the buddy system attractive for participants:

- learn from others who have expertise that you do not have or less
- expansion of your network in region and internationally
- you're 'stronger' together
- additional promotion by CBP

Disadvantages/resistance:

- consultation takes time
- training and strengthening of your competitor
- higher costs (?)

In the CBP there are eight predesigned services[7] for which the CBP can provide match funding. Through a call for proposals SPs are invited to submit their offer and, after evaluation by CBP, those who satisfy the requirements are approved and included in the catalogue of SPs. This system aims to ensure delivery of quality services. One of the conditions for concession holders to qualify for match funding from the CBP is that they have to choose and contract SPs from CBP's approved SPs catalogue.
FSAS was tasked to contribute to developing the buddy system, identify couples of complementary buddies, link them and - upon need - assist in developing the buddy proposal. SPs were selected that had indicated their interest to participate in the buddy system and their role - as leader or learner on a particular service in the collaboration with another SP.

In total six pairs of buddies were proposed and linked to each other as follows.

1. Cagedel and CAMECO:	services	D and H
2. FRM and Rainbow:	services	D, F and H
3. CDRN and Cameco:	services	D, F and H
4. Cagedel and RA/Smartwood:	service	E
5. Barbiche and Fair Tropical Timber:	services	F and G
6. NCIV and Cagedel:	services	D and H

The couples of service providers were contacted and linked, through skype and email communications. During the skype sessions, facilitated by FSAS, the following subjects were discussed: aim of the buddy system, mutual expectations, next steps and the role of FSAS. It was explicitly stated that after the introduction session both SPs were free to continue or not with the buddy proposal development. Most of them however indicated their interest to continue and develop a buddy proposal. Skype exchanges and discussions were constructive. However at the closing date of the call of proposals in June 2012 no buddy

[7] CBP services: A. Pre audit; B. Audit; C. RIL (Reduced Impact Logging) Training; D. Consultation Framework; E. HCVF analysis ; F. Semi Commercial partnerships ; G. Supply chain optimization ; H. Social trainings

proposals were received. A quick evaluation learned that the limited time and busy schedules had been a main constraint to develop a proposal together.

A second bottleneck was the uncertainty that concession holders would contract them. The demand for services from CBP partner companies had been very limited. Reason was that in May –June 2012 the French company Rogier was still the only company that had signed a CBP partnership contract. Hence the demand for services was still very limited. This caused service providers to be less interested to invest their time in buddy proposals. Thirdly time is also needed to get to know each other, build trust and know how organizations complement each other. Finally competition may also play a role, because in a way the buddy system can be seen as strengthening your competitor. After the first round most of the SPs indicated that they would submit a buddy proposal if they were given more time. Others wanted first to see the demand for the CBP services before they would invest in a buddy proposal. One SP suggested that the CBP would identify suitable SPs for developing the community forestry component and ask them to develop a proposal and offer.
In August the CBP decided to reopen the call for proposals for buddy proposals till 31st of October 2012. The target was to include at least 2 or 3 buddies in the catalogue of service providers. Notwithstanding FSASs efforts contacting all of them several times and the offer to help with the submission, give advice, unfortunately no proposals were received as per the end of October 2012.

6.2 Conclusions and recommendations

Conclusions

1. Strengthening locally available services in support of FSC certification in the Congo Basin through a buddy system of service providers, where experienced service providers (SPs) and less experienced service providers work together, is innovative and assumed to be attractive for the service providers.
2. Even though nine service providers showed serious interest and despite our efforts to connect them to each other, finally none of them submitted a buddy proposal, even after an extension of the submission period.
   FSAS concludes that a substantial and consistent demand for services is needed before SPs could become seriously interested to develop buddy proposals for services that are in good demand.

Recommendations

1. Once there is consistent demand for services it is the right time to identify SP matches for the buddy system. At that time it would be worthwhile to analyze the clients' perceptions of services provided by buddy SPs compared to a 'single SP'.

7. FSC Group certification for community forestry

7.1 Steps FSC community forestry in Cameroon

Cameroon has a forest cover of 17,5 million ha of which approximately 677,000 ha of community forests with signed management agreements (Cuny, 2010).
Community forestry in Cameroon, as defined by the Forestry law of 1994, has three objectives:

1. to enhance the livelihood of the rural populations;
2. to conserve forest resources and biodiversity; and
3. to improve local governance though the transfer and democratic implementation of management authority (Lescuyer 2012).

Karmann and Smith (2009) have shown that in many countries similar objectives are achieved through FSC certification. They stated that FSC especially has resulted in health and safety standards for workers, increased involvement of workers in decisions, a more participatory forestry approach, and the security of the conservation of natural resources and cultural and spiritual heritages. Therefore certification in Cameroon is not an end-goal, but a means to an end to reach Cameroons national (community forestry) objectives.
For both the Controlled wood and the FSC certification, community forests in Cameroon are often eligible for the simplified SLIMF version (Small and Low Intensity Managed Forest) of the standard. The SLIMF criteria are integrated in the standard for community forest in Cameroon (approved by FSC IC 01/12/10).
The FSC Modular Approach is a step by step program for achieving FSC forest management certification in 5 years: after an assessment phase it makes FSC certification easier to achieve by dividing certification in three steps: legality, controlled wood and full FSC certification. The idea of the Modular Approach Program (MAP) is to offer an incentive for forest operations engaging on the pathway towards full FSC certification, through recognition of steps along the road combined with requirement to move forward within a certain time frame. Debate is on going about claims to be allowed on the basis of participation in MAP. According to the FSC Step by Step guide (2012), at each step, FSC will facilitate access to financial and technical assistance for smallholders.
In our advise we stay in line with the MAP, and elaborate the FSC certification of communities into the following steps. Synchronous to all steps, the connection with the market is of great importance.

Step 1: Identification

a. Identification of the community forests (incl. selection of CFs with a business case), information supply and expectation management
b. Appointing Group, Group manager
c. Collect basic information of the community forests
   i. Simple management plan (SMP, including size, current use or harvesting rate, species) based on a sample basis of 1or 2%;
   ii. 100% commercial stock inventory; needed for the Annual Exploitation Certificate (or Annual Harvesting Certificate).
d. Selection certification body
e. Determine the applicable standards (FSC certification (SLIMFs), Controlled wood certification (SLIMFs) and/or VLC (Verified Legal Compliance) per community forest
f. Selection members (community forests) of the group certificate (which CFs are compatible to be in one group?)

Step 2: Assessment

a. Self-assessment:
   i. Inventory of the current practice and to define to what extend the applicable standard is met;
   ii. Reflection: did we select the correct members or community forests for this group?;
   iii. Design and implementation of a documented control system and a management plan for all group members;
   iv. Conduct internal audits to ensure the group members are in compliance with the standard.
b. Pre-assessment by certification body (optional)
c. Action plan for improvement

Step 3: Legality verification
a. Legal permits (un-verified)
b. FLEGT licenses; CITES check
c. Verified Legal Compliance (VLC,OLB or TLTV)

Step 4: Controlled wood certification
a. for SLIMF operations

Step 5: FSC certification
a. for SLIMF operations

Parallel to step 1 – 5: Market and viable business development

There are two ways to further promote the community forest timber.
Since June 2012 SLIMF and/or indigenous or traditional communities can put a special claim on their products that identify those products as coming from an FSC certified small or community source. In this way small producers and communities can differentiate their products with the aim to improve access to markets. FSC is currently creating a marketing tool kit to help tell the story of FSC certified small and community producers. See the labels below.

Figure 7.1: FSC labels with proposed new label text for: a. FSC 100%, and b. FSC Mix

A second option for further differentiation in the market in the future may be dual certification by Fairtrade and FSC. See the text box.

In 2011 three producers organizations accomplished the first dual certification amongst which COATLHAL in Honduras and SSC in Chili.

Fairtrade and FSC Dual labeling

Since April 2009 FSC and Fairtrade embarked on a joint pilot project. The aim is to test dual labeling of timber originating from community forests. FSC is looking to differentiate products from communities and smallholders in the marketplace in order to bring them more market benefits. FSC's Global Strategy clearly identifies increasing access to FSC certification for these producers as an important issue.
The potential benefits of dual labelling for smallholders and communities include use of both the FSC and Fairtrade labels, entrance to new markets, agreed upon minimum prices, and guaranteed price premiums, which will go to a Social Fund for use by the producers.
After the pilot phase (end of 2013) the boards of FSC and Fairtrade will decide, based on the project results if dual certification will continue in the future.

On 17 January 2012, furniture made from FSC and Fairtrade dual-certified wood was launched at the International Furniture Trade Fair in Cologne, Germany. The first collection, designed and provided by Agentur Gansbuehler and named 'Veracruz', includes coffee tables, sideboards, chairs and a dining table. The German stores memo AG, Otto, Segmüller, Schaffrath and Schongau have these products in their catalogs and/or showrooms.
September 22, 2012 was the dedication ceremony for the reopening of the Asian Rural Institute (ARI), an international training center for sustainable agriculture, community development and leadership, in Nasushiobara, Tochigi-ken in northeastern Japan. The ARI center was rebuilt in 2012 after being hit by the devastating Japanese earthquakes in March 2011. Remarkably, the ARI's new premises feature the world's first hardwood floor made from FSC and Fairtrade certified wood, manufactured by Swedish Kährs and originating from a pilot project for sustainable forestry in Chile. "

7.2 Lessons learned with FSC Group Certification

This section will describe each phase or steps of the step by step approach towards FSC group certification and lessons learned in prior cases.

Phase 1: Identification

Information and expectations
Correct information about the certification and its benefits from certification is necessary to avoid false expectations. The benefits of certification are distinguished in three perspectives: market based, signal based and learning based benefits. In the beginning signal based benefits have been fuelling the growth of forest certification, often financed by development agencies. At that time market based benefits were absent. In addition the learning based benefits were not given proper value (Rickenbach and Overdevest, 2006).
Market based benefits are divided in greater market access and higher and consistently paid cash prices. A greater market access was in the case of the COATLAHL cooperative (SW-FM/COC-000024) in Honduras, which first obtained their certification in 1996, perceived as market security. It was found that the price of a product is mainly set, based on the quality of the product, independent from the certification. In combination with problems of illegal timber extraction and internal policies which obliged them to buy all timber from members regardless the quality and demand, the cooperative decided **not** to continue their certification when it expired. However, thanks to the fact that FSC forest management standards are often higher than those demanded by national legislation and regulations (Poschen, 2003), COATLAHL now availed of new implemented or evaluated management structures and used new drawn up or improved work instructions. COATLAHL was again funded by a development agency. They analyzed these learning based benefits from the first certification period, simultaneously to establishing a viable business. Their FSC recertification was achieved in 2003 and COATLAHL is still FSC certified today, even with a Fair Trade label in addition.

Also other cases of recertification after five years, demonstrate that the financial benefits of certification together with non-market benefit, outweigh the costs over time (Conroy, 2007). In addition it should be mentioned that in case of COATLAHL the costs of certification remain challenging, but the cooperative has now set up a certification fund to finance the recertification and do not rely on external funding. This and some other cases show that the benefits of certification started to outweigh the costs only after the first certification period when operations had become more professional.

Inventories
The trees in the forest are the natural capital of the Community Forestry enterprises and inventories take stock of this capital. Both the volumes of commercial species and value added by the production process determine the viability and sustainability of the business. and inventories are thus key in determining if timber exploitation and production in a particular Community forest has a business case.
To identify a forest, two types of inventories can be done: a resource inventory or a commercial stock inventory. A resource inventory is necessary for the preparation of the Simple Management Plan (SMP) and is done on a sample basis of 1 or 2%. The 100% commercial stock inventories are needed for the Annual Exploitation Certificate in Cameroon.
Inventories are generally carried out by local NGO's. In many cases these are inadequately done to such extend that at present they are useless to prepare a forest management plan or a harvesting planning. The main issues found were discrepancies in volumes of commercial timber stock, absence of commercial trees in the logging unit and claiming of non-existent trees.
Question is who is able to do the inventory, who has the skills and knowledge to do a reliable inventory. In order to ensure reliable inventories we suggest that potential service providers (both NGO or for profit business service providers) need to be selected, trained and accredited by a supervisory body. The more the community participates the cheaper it will be, and the more awareness it will create.
It is recommended, in order to plan the harvesting activities sufficiently, to carry out a more comprehensive inventory for the harvest areas for the next three years.

For this inventory to be kept up to date each year an inventory is carried out for the area to be accessed three years later. In this way inventory costs could be reserved every year.
To prevent the problems mentioned in the first paragraph the external boundaries should be clearly marked and comply with the SMP for the whole period that the community forest is in use. A GPS device should be used to define the borders of the annual logging units and the locations of the trees. The

inventories should include trees below the minimum felling diameter, which are expected to become harvestable in the following harvest period. The comprehensive inventories should enable reporting traceable results needed for the verification of legal harvested timber in community forests. After the harvesting the stumps of felled trees should be marked with a traceable code referring to the date, tree number and the species name. This will be required under a FLEGT license, when this becomes relevant. Cuny (2011, ref. annex 4) suggests doing away with the complex resource inventory ('inventaire d'aménagement') which is not suited for CFs. It should be allowed to use adjusted and more simple inventory methods, different from those for concessions. He proposes a participatory inventory ('prospection et cartographie participative') through a simplified procedure. It was proposed to the Government in 2009 in order to change the requirements. He advocated for simpler procedures which are appropriate for community forest and will bring down the complexity and the costs. Moreover it would involve both timber and non timber resources and involve all factions of the community, with the effect that the process would reduce conflicts and raise awareness within the community. The process would produce maps with zones for different uses. One of these is the production zone which will be divided in 5 sectors each to be exploited during 5 years. After this process a full (100%) inventory of exploitation is needed to take stock of the trees in the sector. It is worthwhile to look deeper into the merits of this proposal.

Phase 2: Assessment

Appointing group and selecting group members

Selection of the community groups should be based on a number of criteria:

- Site specific information as the species or products from the forest, size of the forest areas and the location;
- their enterprise-orientation and interest in participation and cooperation;
- willingness to improve forest management, monitoring and auditing systems.

Within a group management system two developments need to take place simultaneously: strengthening the organization and strengthening the business. Therefore it is recommended to first focus on small groups of approximately 4 community forests to be managed by one group manager and conduct the stepwise approach towards certification. Since set up costs for villages to start timber harvesting are relatively high, it is necessary to concentrate the production on a few villages until the volume sold on the market increases. In future, viable groups can, when sufficient capacity is build, be merged. An appropriate model of certification for multiple sites can incorporate a large number of community forests: with an expandable system the cost of certification per community forest comes down as the membership grows.

Capacity building support should lead to a practical quality management system in which the responsibilities of the group manager and the individual members are clearly defined and guidelines and work instructions are described. This will lead to a strengthened democratic system with more equal relationships between the group members.

In order to enable to manage the group properly and to reduce travelling costs it is recommended that the community forests or the group members are not widely dispersed.

A group combined of community forests containing the same species could result in advantages on the availability of logs, product development and quality improvement, and possibly on the production on a central site, which could all strengthen the business component of the smallholder organization.

The implementation and compliance with each principle of the FSC standard should be further researched is a real case study as part of the self-assessment.

Phase 3: Legality verification

Legality issues in timber trade can be divided in four states: (1) illegal, (2) Legal permits (un-verified), (3)FLEGT or (4) Verified Legal Compliance (VLC,OLB or TLTV) ; CITES.

Examples of conducting illegal logging are:

- In unprotected areas: logging without a regular concession, logging in conflict zones, agricultural expansions by small-scale farmers, cattle ranching and soy production;
- In logging concessions: logging with forced or re-used permits; obtaining logging permits illegally and logging in excess of permits or concessions quotas;
- In protected areas: widening road corridors, mining or other felling without a permit and logging as if the area is a concession.

These activities are often connected with bribing of local officers or police, ignorance of laws and regulations, declaration of false figures and the use of violence to access and clear cut. In this reality it is a challenge to meet the legal and administrative requirements, which are applicable to forest management in Cameroon (FSC Standard for Community forests and SLIMFs in Cameroon 01/12/10):

- International Conventions and agreements related to sustainable forest management in the Republic of Cameroon and signed by Cameroon (e.g. CITES);
  For specific endangered species CITES determines an export quota and the government issues licences for specified volumes of that species. In Cameroon CITES only applies to Masamela timber or *Pericopsis elata* , Ebony or *Diospyros crassiflora* and to *Prunus africanus,* harvested for its medicinal bark. In 2012 the quota for *Pericopsis elata* was 0. (Cites website).
- Administrative requirements on Forest management, Environment, water, Social and labor and taxes;
- multilateral environmental agreements and;
- ILO conventions.

As part of the FLEGT (The Action Plan for Forest Law Enforcement Governance and Trade) process, the Government of Cameroon signed a Voluntary Partnership Agreement (VPA) with the European Union (EU) in May 2010. All timber harvested, for both export and domestic use, would be of legal origin by 2012 and that the source would be traceable by use of a Legality Assurance System (LAS). In practice the traceability is still far away. In Cameroon there are still many constraints to make the verification possible.
For the EU market the EU timber regulation will be applicable from March, 3rd 2013. At present the EU sees challenges in the reliability of documents, traceability's of shipments and fraudulent use of documents. FLEGT licenses will ensure legally harvested timber, but currently no instruments are available to issue those licenses.

To overcome this gap different forms of third party verification can be considered. Where a scheme has a verified step-wise scheme, generally, there are distinct compliance levels for legality verification and certification:

- Verified Legal Origin - covers basic legal requirements for forestry, right to harvest, approved planning authorizations, payments of applicable fees and taxes, as well as chain of custody.
- Verified Legal Compliance - includes the requirements of VLO, but additionally includes verification of all laws and regulations governing the management and harvesting of timber such as labor, social and environmental regulations and laws, as well as chain of custody.
- FSC Controlled Wood - which would include Reduced Impact Logging, High Conservation Value Forests, etc. See phase 4
- Full Certification - for example FSC or PEFC. See phase 5.

Verification of Legal Origin (VLO) could be conducted by a third party, for example SGS which uses Timber Legality & Traceability Verification (TLTV). SGS indicated that the TLTV service would not be continued in the future. The OLB system (Origine et Légalité des Bois, in French, which may be translated as Timber Origin and Legality) was developed in 2004 by Bureau Veritas Certification to meet its clients demand for an official third party certificate regarding their wood products legality. The OLB certificate is based on the respect of the standard for the certification of forest companies. This document describes the requirements to fulfill in order to comply with legal requirements in regards to forest management and logging activities, people employment, security, environment impact. It also mainly deals with wood traceability within the company until the sale or primary processing. The certification of wood processing and trading companies is based on the respect of the chain of custody standard. In addition to OLB certification, the wood processing and trading companies can be OLB+ certified. The fulfillment of OLB+ requirements allows the company to demonstrate that it respects social and environmental supplementary principles as this is becoming increasingly a requirement for the general public, public procurements and international organizations (source: website Bureau Veritas). While this will entail auditing costs, costs could be saved for audits for Controlled wood or FSC certification.

Independent from the harvesting, the transportation of goods is not without risks. In Cameroon seizure of goods during transport is a common practice (source: WWF). The goods are seized and then auctioned at a local auction, on which the truck driver needs to buy his goods back. The question remains whether this material, if legally harvested or even FSC certified, becomes illegal because of the seizure when passing such unofficial roadblock.

Since corruption is ubiquitous in Cameroon, legality alone, both unverified and verified, will not lead to the improvement of the livelihood and conserving the forest resources of communities. Therefore legality issues should always be seen as part of the certification process and not on an end-goal on itself.

Phase 4: Controlled wood certified

The intention of Controlled wood Certification of community forests is to enable financial resources to reach the forest management units in a professional way, through the market. It rewards the communities for the steps already taken to FSC certification. Within the FSC Chain of custody, FSC certified material, with the official claim 'FSC 100%' on the documents, is allowed only to be mixed with 'FSC Controlled Wood'. This mixture creates a FSC Mix category with the official claims of 'FSC Mix Credit' or 'FSC Mix x%' with a minimum of 70% on the documents. It ensures that the material combined with FSC certified material does not origin from unacceptable sources. The unacceptable sources are divided in 5 categories, which are slightly adapted for SLIMF operations:

1. Illegally harvested wood
2. Wood harvested in violation of traditional and civil rights
3. Wood harvested in forests in which high conservation values are threatened by management activities.
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses.
5. Wood from forest management units in which genetically modified trees are planted.

Phase 5: FSC certified

FSC certification meets the requirements of the 10 principles of FSC:
Principle #1: Compliance with Laws and FSC Principles
Principle #2: Tenure and Use rights and responsibilities
Principle #3: Indigenous people rights
Principle #4: Community relation and workers rights
Principle #5: Benefits from the forests
Principle #6: Environmental impact
Principle #7: Management plan
Principle #8: Monitoring and assessment
Principle #9: Maintenance of high conservation value forests (HCVFs)
Principle #10: Plantations

A simplification of the standard is made for Small and Low Intensity Managed Forests (SLIMF) operations. The case study from SSC Wood technologies (SWT) in Chili (SA-FM/COC-002437) (source: www.fsc.org) learned that development of a simplified SLIMF checklist in cooperation with the auditors greatly reduced the level of paperwork required for the certification. It is recommended to prepare such a checklist based the "FSC Standard for Community forests and SLIMFs in Cameroon 01/12/10". It is possible that the Certifying body Control Union already has developed such a simplified checklist. SWT also commissioned two independent studies as part of its preparation for certification:

1. a biodiversity survey in order to guide biodiversity management and develop criteria for identification of high conservation value forest. More documentation is available about meeting the FSC certification requirements for biodiversity and HCVFs in SLIMF operation. These should be taken into account in preparing the simplified SLIMF checklist for CF in Cameroon.
2. a social impact assessment to identify relevant stakeholders and their concerns. This also can serve as a baseline. Repeating the same social impact assessment after some years and analyzing the results can provide insight in improvements of local governance and hence showcase the impact of certification and its contribution to the national Cameroon Community Forestry objectives.

Market and viable business development

Value, efficiency and quality

Forests resources can only be conserved if money is made out of them. Otherwise other land uses might be expected to be more profitable and therefore conversion of land use will easily take place. Connecting community forests with and investing in market development is vital for the preservation of community forests.

Within the Cameroon system of community forests trees are considered a free good. Trees, standing in the forest or already felled, are not given any value until they are cut and sold. Since communities have no facilities or capital to extract logs from the forest and process it afterwards, the timber is sawn in the

forest to meet the current order. Once the volume required for the order is met, the remains of the trees, even felled, are considered to have no value and are abandoned in the forest. For many species there are more trees in a forest then there are orders. This results in a large waste of resources due to easily felling an additional tree if one tree is badly sawn, damaged or if the order is not yet fulfilled. The production units only pay the communities based on the timber extracted.
The problem Identified is the fact that traditionally operators only pay the communities based on the timber extracted and not on the amount felled. This leads to enormous waste and opportunity costs.
The current production practice needs to be improved. Forest damage during harvesting should be minimized. This includes both the surrounding trees on the harvesting site and the trees felled. Directional felling is a skill that needs to be developed as wrong felling directions or felling trees downslope are often seen. Downslope felling instead of up, results in serious splitting of the logs and cracking inside the tree. This reduces the amount of usable timber significantly.
Because of the 'Free good consideration', buyers' specifications are perceived to be leading. A lack of a sawing plan of the log decreases the efficiency of sawing roundwood in the forest and is approximately only 20% (source: SSC report, 2010).

Buyers' length specifications often differ from the most suitable lengths of the logs. In a case study done by ICCO (SSC, 2010) based on buyers specification a Moabi log was cut in two logs of 4.5m instead of 3 good quality logs of 3.5m. Additionally the felling damage and the cracks were not taken into account when sawing the boards. In this case, turning the log so that the cracks became horizontal could have increased the yield of the boards significantly.
Sawing boards in the forest does not produce the best quality, but it enables the timber to be extracted from the forest by people carrying the boards out of the forest along forest paths. Within a group management system of community forests it is recommended to investigate the option of reducing the logs in the forest into large blocks and then precision re-sawing these in a frame saw on a central site. This option will depend on the ability to transport and extract blocks weighing up to 150kg from the forest. SSC has done recommendations for the transport e.g. by a solid two wheel chart that can be pulled by men (SSC assessment of SCNIC operations, 2010).
As a future step increasing the value of the boards by conditioning or drying the timber may be an option. For this option considerable investments are needed since air drying will require significant capital input into stocks while kiln drying requires a large capital investment in kiln and boilers as well as higher operating costs. To succeed and give the return on investment this would also require specific expertise, work processes and an optimal enabling environment. For this reason we advise not to do this and to go step by step.
Capacity should first be built to increase the efficiency of the logs sawn in the forest and to improve the quality of the sawn boards. This should be connected with new markets accepting more specifications.

International and domestic market
The demands (requirements) by the export market of species (only approximately 10 species), quality and dimensions are very high. Additionally the administrative costs of obtaining export licenses in Cameroon are also very high. Currently none of the communities have export licenses and are at present only allowed to sell goods on the domestic market.
The domestic market is dominated by cheap timber from illegal sources[8]. Communities face this challenge of a marginal profit as they often fetch sub optimal prices. Therefore it is vital for community forests to develop a local market for their products. Regardless the certification, in order to ensure a sustainable community forest business and to make community forestry profitable, selected community forestry enterprises should be supported into becoming viable businesses. Simple marketing researches could give insights in the species, dimensions and qualities needed and accepted on the local market.

Business development
The group management system should be beneficial for all parties involved. This will need commitment from all players and requires long term contracts with group members, which makes the selection and reflection of group members even more important. Investigation of resources for a long term planning should in return be guaranteed by buying a certain minimum volume from each community forest each

[8] Cerutti and Lescuyer (2011) calculated that village chainsaw millers make a marginal profit of 400 FCFA/m3 and may even make a loss, whereas professional chainsaw millers on the average make a profit of around 14,000 FCFA /m3 .

year and this will be marketed. This allows the group manager or smallholder to have detailed knowledge of what will be available in the future.
On the other side relationships with customers should be built. The most important challenges for community forests enterprises were found to be:

1 Communication. The relationship should be open, even in case problems have occurred. It might be that in the beginning the different realities and expectations on both sides need to be further explained by a third party;
2 Reliability. The community forest enterprises delivers asked goods in accordance with the conditions (time, amount etc.) set in the contract;
3 Quality. The community forest enterprises should deliver the quality agreed upon in the contract;
4 Sustainability. Being able to deliver the demanded quality over a longer period;
5 Long term. The possibility to have a long term relationship.

Especially the points 2 and 4 need capacity building simultaneous to the certification process. Nevertheless all aspects are part of being a trusted community forest enterprises or supplier. If one of these aspects is not fulfilled, the CFE will lose customers. It is a fact that 80% of all attempts of doing business with smallholders, fails on one of the above mentioned aspects.

7.3 Costs of FSC Certification

The cost of certification can be shared by forming a group and applying for one FSC certificate. Group certification reduces the cost and workload related to achieving and maintaining an FSC certificate - a good option for small and community producers. The costs for the process towards the FSC certification and Legality verification are partly the same costs spent on business development. Funded by ICCO several researches about the costs of community businesses were done and the findings are currently being analyzed. To give an indication the estimated costs of community forestry are shown below.
The following table indicates the financial benefit distribution of earnings from the sales of timber from community forests (non-certified). It shows that in this case - where a BDS providers organized production and marketing of the timber - the community earned € 100/m3 of sawn timber which seems a good income.

Table 7.1: Income and expenditures of the community Forest of Medjoh (Lomié) with assistance by broker SCNIC (non certified)

Community Forest of Medjoh (East Cameroon)	CFA / m3	€ / m3
	FOB	FOB
Sales		
Average sales price sawn timber	328.000	499
Production & Transportation costs		
Maintenance of assets/material	22.960	35
Logistics, Fuel and Lubrificants	19.680	30
Salary chainsaw operators (loggers)	9.840	15
Salary sawmill operators (Lucas Mill)	26.240	40
Transport out of forest to road (by hand)	29.520	45
Transport from road to port	29.520	45
Resawing and conditioning	26.240	40
Touching up for export & costs of transition for export	49.200	75
Divers costs	16.400	25
Costs of services by SCNIC (10%)	32.800	50
Total costs of production	**262.400**	399
Net Income for the community	65.600	100

1 FCFA = 0,00152 Euro (OANDA)

Source : Cuny, 2011

Given the relatively small community forest area sizes and volumes, the certification costs per hectare and timber volume are relatively high. Through SLIMF the costs of certification per production unit can be reduced with 40% (Karmann and Smith, 2009).
Our attempt to obtain actual cost estimates from certification bodies in Cameroon was not successful because they required a large number of specifications about the CFEs which we were not able to provide. Therefore we present indications as follows.

The feasibility study carried out for SCNIC and ICCO in 2009, indicated direct costs of the SLIMF certificate of a cluster of 4-6 community forests in Cameroun to be for:

- Pre-assessment : € 15,000 (not obligatory for SLIMF)
- Main assessment (audit): € 18,000
- Annual surveillance : € 9,000

From TFT's experience in Southeast Asia (TFT, 2012), as well as other sources, the direct costs for a group SLIMF certificate costs are approximately:

- Pre-assessment or scoping USD $10,000 – $15,000
- Main assessment USD $10,000 - $20,000
- Annual surveillance audits USD $5,000 - $10,000

The minimal cost indications for concessions provided by the CBP approved Service Providers (CBP catalogue August 2012):

- Pre-assessment : € 5,000 - 20,000 (not obligatory for SLIMF)
- Main assessment (audit): € 9,000 - 50,000.

It seems that the SCNIC /ICCO figures are on the high side. If we assume that (pre-)auditing a group of 4-8 CFs is comparable with the lower cost segment for concessions, then € 5 - 7,000 for pre-audit and € 10 - 12,000 for the audit could be a realistic estimation.
FSAS concludes that this is still disproportionate high costs for the small volumes and turn over of community forests. Unless it is subsidized, which is not sustainable either, CFEs very probably cannot bear these. Therefore we conclude that most if not all CFEs will not become viable with timber alone; other products e.g. NTFPs or services, like REDD+ or tourism, should complement the revenues from timber.
CIFOR scientist Amy Duchelle goes a few steps further: according to her a completely new approach for community managed forest is needed which takes into account the reality on the ground, the diversity of communities and their social and cultural organization models. The current certification model does not respond to these realities of forest dependent communities.
Simplified requirements and procedures which are adapted to local realities would go in that direction as well as a cheaper forms of certification, e.g. by accredited but locally based cheaper certifying agents or by participatory verification systems. The latter are being tested and applied already in several countries (Sri lanka, India) in agricultural value chains.

On the picture below shows that after sawing, the boards are divided in two bundles. Only the right bundle meets the quality requirements of the export market. This is maximum 30% of the sawn board, leaving a lot of opportunity cost for other 70% if these could be sold on the domestic market. This underlines the importance focusing on both the export and domestic market in the business development process.

In 2012, FSC developed a Smallholder Fund to help small and community producers gain and maintain their FSC certification. Money from the fund can be used for starting a new group, paying the cost of certification and improving market access. The long-term viability of a business (evidence through business planning and budgeting) is a key factor for successful grants. Grants are one-time only and maximum of USD 30,000. More information could not yet be found but probably will soon become available at www.fsc.org.

7.4 Rational for supporting community forestry and FSC Group certification in particular

The following reasons justify investing in community forest enterprises:

- ➔ There is large under-exploitation of the community forest resources and thus also potential for increasing benefits from CFEs
- ➔ A BDS provider has shown that community timber can satisfy export market requirements and be profitable. During 2009-2011 eight containers of community timber (20m3 each) were sold to a Dutch buyer for the Dutch market. The buyer and retailer were very satisfied with the timber quality (personal communication of FSAS with retailer, 2011).
- ➔ With a value chain approach and business planning support as well as technical and organizational support we believe that a selection of the most promising CFEs can be further upgraded and their performance improved. They could become model CFEs.
- ➔ The category of CFEs that shows no or little potential if it comes to the viable marketing of timber, should explore alternative uses of their community forests, e.g. the exploitation of NTFPs or development of tourism services.

The following are motives for FSC certification in general:

- ➔ Community forestry in Cameroon, as defined by the Forestry law of 1994, has three objectives:
  (1) to enhance the livelihood of the rural populations;
  (2) to conserve forest resources and biodiversity; and

(3) to improve local governance though the transfer and democratic implementation of management authority (Lescuyer 2012).
Karmann and Smith (2009) have shown that in many countries FSC certification contributes to achieving these objectives. They state that FSC especially has resulted in health and safety standards for workers, increased involvement of workers in decisions, a more participatory forestry approach, and the security of the conservation of natural resources and cultural and spiritual heritages. Therefore certification in Cameroon is not an end-goal, but a means to an end to reach Cameroons national (community forestry) objectives.

➔ In the current business environment in Cameroon with high levels of corruption and lack of good governance (both at community and government level) third party certification is a necessity to achieve sustainable forest management practices. FSC can fill this gap as a non-state, market-driven governance system.
➔ The measures and requirements that need to be taken care of in a certification process will contribute greatly to a better organization, reliable inventories, more efficient resource use and other benefits. FSC certification will contribute to improved systems and skills and in this way strengthen the business performance of the CFE.
➔ It will open up markets that specifically seek sustainably produced and community produced timber. Examples are buyers for specific niche markets in Europe and USA for example timber for the music instruments industry and similar high value applications. Such high end markets enable buyers to pay a premium and invest in the certification process.
➔ Two European buyers of community timber are willing to invest in building the capacities of CFEs with the aim of FSC certification. They have high end markets which enable them to invest and to motivate CFEs with a good price at the 'forest gate'. These buyers wish to build a long term relationship with the producers and offer an attractive price for the timber. This will motivate CFEs to engage themselves and improve their practices.

The following are motives for FSC Group certification and SLIMF:
➔ Group certification contributes to sharing of costs for (pre)audit and annual monitoring visits.
➔ Group certification enables scaling up of volumes of certain species, hence becoming more attractive for buyers.
➔ For both the Controlled wood and the FSC certification, community forests in Cameroon are often eligible for the simplified SLIMF version (Small and Low Intensity Managed Forest) of the standard. The SLIMF criteria are integrated in the standard for community forest in Cameroon (approved by FSC IC 01/12/10).
➔ SLIMF certification contributes to reducing costs due to simpler administrative procedures and a simplification of the standard that is made for SLIMF operations.

7.5 Conclusions and recommendations

Conclusions

1. It is clear that the functioning of many Community Forest Enterprises (CFEs) still leaves much to be desired. Why then pursue the support to CFEs and aim for sustainable practices and certification? We conclude that at present for many CFEs FSC certification is not a feasible next step because it is costly, they lack FSC markets and they lack capacities to satisfy market requirements.
2. For more advanced CFEs it <u>can</u> become feasible <u>if</u> the following conditions are met:
   - Regular production and sale of timber at a price high enough to cover certification costs and to generate a profit ;
   - Technical capacities and organization are upgraded;
   - Long term relationship with a buyer with high-end market demanding certified timber;
   - Formation of a committed and effective group under the leadership of a respected commercial group certification manager.
   - Direct and indirect costs of certification are brought down: e.g. by participatory inventories, working with locally based certification bodies and simplified requirements and procedures.
3. Most community forestry enterprises will not become viable by timber alone: other products like NTFPs and services (tourism, REDD+) are needed, and even a new approach which takes into account the reality on the ground, the diversity of communities and their social and cultural organization models.
4. The cost of certification can be shared by forming a group and applying for one FSC certificate. Group certification reduces the cost and workload related to achieving and maintaining a FSC certificate - a good option for small and community producers. The costs for the process towards the FSC

certification and legality verification in the step by step approach are the same costs spent on business development.
5. As a result of the analysis and work by FSAS in collaboration with CBP, two European buyers of community timber (with an extended track record as buyer of community timber from Cameroon and Tanzania) have shown interest to invest in FSC certification of community forest enterprises. They look at a process towards FSC group certification (SLIMF). They both know Cameroon well and have markets for specific species of community timber. Currently talks between CBP and the buyers are taking place about setting up pilots of FSC group certification, exploring and analysing the business case, necessary investments and contributions from the buyers, CBP and other sources. Although these initiatives are still in an early stage, there seems to be a good opportunity as there is synergy in objectives between buyers and CBP and a specific market demand.

Recommendations

CBP has decided to choose for the FSC group certification option. FSAS makes the following recommendations for the CBP support towards FSC group certification:

1. Selection of potentially most viable community forest enterprises
   A division will be made on the basis of criteria such as commercial timber stock, sales track records, level of organization, business skills and market orientation. Those community forest enterprises with no potential for commercial timber production will be a group that can explore options for e.g. tourism, payment for environmental services or NTFPs.
   CFEs that clearly have potential and show commitment to become viable timber producing enterprises: our recommendations is that CBP will support them with business skills support, technical and organization support, cluster them in groups for FSC group & SLIMF certification, and link them in an early stage with potential buyers.
2. A step by step approach to reach FSC Group certification
   Based on the Modular Approach Program (MAP) of FSC, FSC certification of communities can be divided into the following main steps (which are subdivided in section 7 of this report).
   1. Identification
   2. Assessment
   3. Legality verification
   4. Controlled wood certification
   5. FSC certification

   In this step by step approach the final objective is sustainable forest management through FSC Group certification. Legality verification is an intermediate goal. Professional support on technical, organizational, social aspects as well as business aspects are main enabling conditions for building these profitable and sustainable community forest enterprises (see section 3.3 and IIED, 2009).
3. Synchronous to step 1 – 5: the connection with the market is of great importance and therefore synchronously to the 5 steps, *market development and viable business development* needs to take place. There is need to :
   - ➔ provide support for business planning leading to (bankable) business plans;
   - ➔ identify capacity gaps and needs for each CFE; including community ownership and commitment aspects;
   - ➔ make a tailor made capacity building plan for each CFE and implement it;
   - ➔ broker financial services to CFEs;
   - ➔ strengthen marketing capacities
4. The case study from SSC Wood technologies (SWT) in Chili (SA-FM/COC-002437) (source: www.fsc.org…) learned that development of a simplified SLIMF checklist in cooperation with the auditors greatly reduced the level of paperwork required for the certification. It is recommended to prepare such a checklist based on the “FSC Standard for Community forests and SLIMFs in Cameroon 01/12/10”.
5. Making use of the FSC Smallholder Fund.
   In 2012, FSC developed a Smallholder Fund to help small and community producers gain and maintain their FSC certification. Money from the fund can be used for starting a new group, paying the cost of certification and improving market access. The long-term viability of a business (evidence through business planning and budgeting) is a key factor for successful grants. Grants are one-time only and maximum of $30,000 USD. More information could not be found but probably will become available at www.fsc.org.

Final remark

In order to achieve the objectives of community forestry as portrayed in the Cameroonian law, it will be very important for communities and other stakeholders in Cameroon to improve the functioning of community forestry and to build a number of good examples and best practices of sustainable and viable community forestry enterprises and market linkages. This can also serve to inspire other actors both in Cameroon and the Congo Basin and lead others to follow the example. Making use of lessons learned and working with like-minded actors in Cameroon will increase the chances of success for the CBP. In this way the Congo Basin program can build on the past experiences and showcase an innovative community forestry model in Africa and contribute to one of the first FSC certified community forest initiatives in Africa, and be the first in Cameroon and the Congo Basin. This would be an excellent achievement. Of course it is a path with various challenges on the way, but worthwhile the effort.

ANNEXES:

A. Terms of Reference
B. List of references/documents
C. Persons and organizations interviewed during FSAS Mission to Cameroon in May 2012
D. Full Access to Finance report
E. List of Community Forests in Cameroon as per 2008
F. Overview of Community Forestry support organizations in Cameroon

ANNEX A: Terms of Reference

Title of the assignment:	**IDH Congo Basin Program - FSAS advise 2011-2012**
Client:	FORM International
Contact person:	Tieme Wanders
FSAS Consultant(s):	Jochem Schneemann & Lisette van Benthum
Period:	November, 1st 2011 – December 31st 2012
Date of ToR:	27th October 2011

Introduction
IDH The Sustainable Trade Initiative aims to accelerate and upscale international sustainable trade of commodity markets. IDH convenes private partners, civil society organizations and governments and forms action oriented coalitions that aim to transform the market, and make sustainable production and trade the norm. IDH is of increasing strategic interest in the Netherlands for Corporate Social Responsibility; a growing number of Dutch enterprises become involved with IDH with the purpose of making global value chains more sustainable.

One of the core IDH programs focuses on the responsible production and trade of timber: the Tropical Timber Program. The core strategy of this program is to increase the business case for change by supporting certification in tropical timber regions and increasing the market share of sustainable tropical timber in Europe.

Worldwide, tropical forests are located mainly in three regions: South America, Indonesia and West & Central Africa. Currently, three forest certification programs are operational under the Tropical Timber Program: The Amazon Alternative (TAA), The Borneo Initiative (TBI) and the Congo Basin Program (CBP). The CBP aims for 4 million ha of natural forest certified in the Congo Basin.

ICCO contributes to the overall program and is involved in providing advice and assistance in the social component of the program and inclusion of small producers.

The Congo Basin Program provides incentives for companies to invest in Sustainable Forest Management (SFM) and assists them to achieve independent, and internationally well recognized, FSC certification. The consultation and involvement of local communities in the certification process gives the communities opportunities to strengthen their position and improve their standard of living.

IDH has identified 8 services that can be subsidised (50% subsidy) by the program and which will be provided by approved local service providers. Concession holders (including small producers) will have to pay the remaining 50% of costs. The CBP will work with approved service providers and preferred service providers. Both groups are found fit to function as a program partner, while the latter will also contribute to the program financially. A catalogue shall be compiled in which for every service, the approved and preferred service providers are listed. Within this 'cafeteria model', the concession holder is free to work with a service provider of its choice. It will agree a contract with the approved service provider of its choice and pay 100 % of costs. IDH will reimburse 50% (or 60%) of the costs that are eligible.

Services to Congo Basin Program by FSAS
At the request of FORM International and IDH, Fair and Sustainable Advisory Services (FSAS) will provide services to the IDH Congo Basin Program. This TOR defines the services, tasks and expected outputs of the assignment. Activities form part of the CBP and provide support and advice to the coordination of the program and to potential and selected service providers in the region.

<u>The services to be provided by FSAS are</u>:

A. Identify and engage community forests to participate in the CBP through the network of ICCO and others.
B. Assist to develop (semi) commercial partnerships between (large) concession holders and community forests.
C. Facilitate access to finance for community forests (FSAS financial services specialist, Lisette van Benthum, will be involved)

D. Assist with the design and elaboration of the buddy system for service providers
E. General advise to the program

The above tasks are elaborated in Annex 1 below: “IDH Congo Basin Program - Tasks FSAS 2011-2012”

Ad A and B
From a long list of potentially eligible community forests, a short list will be made using selection criteria. Among the selection criteria will be: (1) the community forest aims to achieve FSC certification, and (2) Community Forests are located in the proximity of concessions of partners of CBP. In this way the short list will prepare for selection of (semi) commercial partnerships between (large) concession holders and community forests.

Ad C
Community forests organizations that have been selected, which are to become an active actor in the value chain of certified timber and are in need of external finance, will be supported in finding access to finance. For this reason a quick mapping of the financial sector (desk study) will be performed in one focus country, the financial need of selected community forest organizations (maximum 5) will be assessed and selected community forest organizations (maximum 5) will be guided in finding access to finance locally or internationally.
In 2012 it will be decided if a selection of community forest organizations will be assessed with the “Scoring Organizational Performance –Scope” tool that has been developed by SCOPEInsight (formerly named Fore Finance) as was done in The Amazon Alternative-TAA. This in depth profiling indicates the level of readiness for entering the certification process and/or improved supply chain, the bankability and a roadmap for Capacity Development. It produces insight in the strengths and weaknesses of small producers, and will enable the program to take an informed decision about supporting them. Moreover it can facilitate access to finance and markets. Costs of SCOPE profiling are not included in the attached budget.

Ad D
Buddy system: experienced service providers and less experienced service providers will work together to support a concession holder by delivering certain services. It is expected that specifically around the social services there will be need for the buddy system. FSAS will facilitate to find the right parties, as well as to analyze the trustworthiness and feasibility of the proposed ‘buddies’.
The following <u>actions have been implemented by the Secretariat of CBP</u>:

- the Congo Basin Program has issued a tender to which service providers have registered.
- The service providers are screened using a checklist
- This resulted in an overview with service providers that will and that will not be included in the catalogue
- A number of Service providers have shown interest in the buddy system as a learner or as a leader.

<u>Next steps</u>:

- ***FSAS*** will assess which less experienced service providers could benefit from being linked to which more experienced service providers.
- ***The secretariat*** will determine if the buddies (less and more experienced provider) reach the minimum score to qualify for the catalogue
- If so, this means that they have to make a new offer as buddies so that their service can be included in the catalog : ***FSAS*** will write the parties to ask them to make a new buddy offer, in which they also make clear how income will be distributed
- The deadline for submissions has passed so we may need an intermediate revision of the catalogue to include the buddy offers in the catalogue
- Companies will choose with whom they want to work, based on price and experience, which can be buddies or single service providers.

After approval of the TOR, FSAS will elaborate a work plan and calendar of activities.

Explanatory notes and considerations:

- The CBP phase 1 runs till the end of 2012, phase 2 will depend on the availability of regional/national standards that are internationally recognized and accredited by FSC. Therefore this TOR covers only the first phase. By end of 2012 decisions will be made with regards to FSAS services that will be needed in phase 2 of the program.
- In 2011 and 2012 FSAS services will focus on two countries. Cameroon is proposed because it has most experience with community forestry and therefore is expected to have most potential at the short term. Moreover ICCO has a wide network in Cameroon and to a lesser degree in DRC. DRC is considered because community forestry is high on the agenda of both government and local populations. DRC could benefit from the experiences and lessons from Cameroon. *A final decision about the second focus country will depend on the potential found in the initial exploration.* In phase 2 experiences from the two focus countries can be used in the other two countries.
- Travel 1 (early 2012) : 1 trip is planned to Cameroon (first focus country).
  Objective: identify and assess reliable service providers, concession holders and potential commercial partnerships. Visit 2 or 3 companies and surrounding community groups in both countries. Formulate recommendations.
  Travel 2: second trip planned to Cameroon and a second focus country, if found relevant by CBP and FSAS.
  Objective: Assist in establishment of (semi) commercial partnerships. Monitor functioning of buddy system. Identify and assess (new) promising community forestry groups to join CBP. Visit 2 or 3 companies and surrounding community groups in both countries.

Time investment and budget
See below for: Annex 1: tasks and Annex 2: Budget. The time investment per task in the table below is an estimation, and may be adjusted during implementation, while the total (cost) remains the same. Invoicing by FSAS will take place on the basis of actual time spent on agreed tasks. Days that are budgeted for 2011 but remain unused will be forwarded to 2012.

Roles and responsibilities
ICCO and IDH have agreed a contract in which the ICCO support, requirements and conditions are laid down. FORM is the lead agency to implement and coordinate implementation of the CBP. FORM requests FSAS to provide the services as laid down in this TOR. The FSAS consultant will be responsible to implement the tasks as described in this TOR, which have been discussed and agreed with IDH, FORM International (CBP coordinator) and ICCO.

FORM will facilitate the work of the FSAS consultant(s). Travel will be agreed between FORM and FSAS. The consultant will produce annual work plans and will keep FORM, IDH and ICCO informed about the progress made and eventual constraints in the course of implementation.

Reporting and accountability
FSAS will be accountable to FORM; they will meet quarterly. Reports will be sent to FORM with cc to IDH and ICCO. IDH, FORM, ICCO and the FSAS consultant will meet twice a year to discuss progress and update. FSAS will produce six monthly updates and annual reports.

Finalization and / or prolongation
Based on results and progress made, early December 2012 an eventual new TOR will be made regarding services from FSAS for 2013-2015.

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IDH Congo Basin Program - Tasks FSAS 2011-2012

FOCUS on Cameroon and - if possible & relevant- a second country

				NO OF DAYS	
	TASKS	OUTPUTS	ACTIVITIES	2011	2012
A	Identify and engage community forests to participate in the CBP through the network of ICCO and others	Long list of community forests in Gabon, Cameroon, DRC & Congo Brazzaville	Determine selection criteria for community forest that can participate in CBP Identify community forests (through networks & existing information)		
		Short list of community forests in two focus countries	Make a selection based on selection criteria		
		Community forest organizations are informed about CBP	Send information on CBP to those listed	4	2
B	Assist to develop (semi) commercial partnerships.	Potential communities and concession holders for commercial partnerships in two focus countries pre-selected;	Identification of candidates for partnerships; Linking of CBP partner concession holder with community forest Explore options with 2 or 3 concession holders and communities in one (or two) focus country (through mail, skype and visit);		
		9 letters of intent signed by end of 2012	Prepare letters of intent;		
		6 potential partnerships explored and advise provided; Contributed to CBP goal of 5 partnerships signed	Make partnership plan with concession holder and community forests;	7	10
C	Facilitate access to finance for community forests	Advise to 5 Community forest organizations on access to finance Link community forests to finance institutions	Advise Community forest organizations on how to access finance in order to enable them to execute their Business Plan (in one focus country)	2	5
D	Assist with the design & elaboration of the buddy system[1]	Advise on buddy system provided (quality, learning)	Advise on the shape of the buddy system		
	Facilitate to find service providers that match	List of pre-selected service providers as buddies for two focus countries	Assess which less experienced service providers fit with the more experienced ones Write the parties to ask them to make a new buddy offer, in which they also make clear how income will be distributed Advise /coach service providers during implementation (visit)	6	5
E	General advise to the program, FORM and local service providers	Advise provided upon request of CBP or IDH Progress and final reports.	Upon request of CBP or IDH, provide advise on the program, services, FSC + components etc Planning and coordination of activities with FORM International, and reporting.	3	4
			Total no of days	**22**	**26**

1 Buddy system: experienced service providers and less experienced service providers work together to support a concession holder or small producer by delivering certain services. It is expected that specifically around the social services there will be need for the buddy system

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ANNEX C: Persons and organizations interviewed during FSAS Mission to Cameroon in May 2012

CBP Mission FSAS | Jochem Schneemann | Cameroon

Name	Entity	Function	Topics/observations
PRIVATE SECTOR			
Didier Bastin	ALPICAM/GRUMCAM	Chargé de mission aménagement et certification	Council forests support to APV FLEGT level, with own contribution from timber revenue.
Frederic Ober	TRC	Directeur general	Company position, FSC
Bertin Tchikangwa Nkanje	TRC	Directeur de la Certification	FSC certification, community relations
Charles Bracke	SFID	Responsable amenagement et certification	By phone (Meeting not possible; questions sent by email)
Marcelin Tanga	SGS Douala	Auditor & Trainer Sembois	Legality standards;
Jean Bosco Ndog	CAMWA (exploitant of Messondo council forest)	Chef de chantier	Met during visit to forest site of Messondo council forest; busy with road construction. Logs for local market. Contacts director: Mr. Zacharia tel. 96304970 or 74030498
Jean Pierre Makoumak	PREMA Entreprise: Prestation de services et metiers d'Arts ASTRABOIS Association des travailleurs du Bois, Bertoua	Manager Chairperson	Inventory and rating of CFs Buying timber from CFs; pre finance pilot

Name	Entity	Function	Topics/observations
SUPPORT ORGANIZATIONS			
Thomas Dang et Carine Dinaye	CAFER (Centre d'appui aux femmes et aux Ruraux)	Staff	Supports the cluster of CFs AFCONT in Ngambe Tikar; Core business: organisational and institutional Capacity development
Cecile Ndjebet	CAMECO REFACOF (reseau des femmes africaines pour la gestion communautaire des forêts)	Présidente	CF; independent monitoring;
Joseph Mbeleg &Martin Ziem Kougnol	CAMECO	Geographer and forestry Staff	Council and community forestry, in practice, field visit to Messondo
Louis Djomo	CIEFE	ED	Collaboration, certification; Call for proposals for SPs by CBP; possibility to apply as service provider
Gerard Sindemo	CIFED, consultant	Contracted by SNV for supervision of CFs in Boumba et Ngoko (Yokadouma)	During field visit and exchange meeting
Paolo Cerutti	CIFOR	Researcher	Concept of Community forestry and council forestry
Christian	Consultant (ex SNV)	Contracted by SNV for supervision of CFs in ..	During field visit
Oliver Mokom	CRS (Catholic Relief Services)	Head of Programs	CF program in department la Kadey; next steps; new program proposal
Thorsten Huber	GIZ	COMIFAC	FSC Regional Standard, GIZ links, COMIFAC programme
Kirstin Hegener and Martial Nkolo	GIZ	Coordinatrice Programme d'Appui Forêt - Environnement	Strategic collaboration, niche for CBP
Romain Lorent	KfW	Coordinator - GFA	Collaboration, KfW support to CF
Cecilia Julve	Nature+	Coordinator PDFC (Projet „Partenariats pour le Dévelopment des Forêts	Feasibility study community timber, options for collaboration

		Communautaires“)	
Gauthier Malnoury	Nature+	Junior staff Chargé de mission PDFC	Community forestry support
Pascal Cuny	ONF-Cameroun	Directeur	Service provider CBP; needs of CFs
Hozier Nana Chimi	SAILD	directeur	Call for proposals for SPs by CBP; possibility to apply as service provider
Albert Bokkestijn	SNV	PEL-FC Projet Promotion de la Production et l'Exportation Legales des bois issus des forêts communautaires Coordinator	Field visit; pilot ideas, CBP support options ; exploration of collaboration options-pilot projects
Nadege Nzoyem Maffo	SNV	Staff PEL	Idem
Joseph Mougou	SNV	Staff PEL	idem
Norbert Sonne	WWF	Coordonnateur Programme Forêt GFTN Manager Cameroun	Needs for services by CFs; WWF lessons learned

Name	Entity	Function	Topics/observations
COMMUNITY AND COUNCIL FORESTS			
Roger Mouendop	ASFOKA: Association -federation des Forets communautaires de la Kadey Community Forest of Akom	President President	Situation of CFs, needs, financial position; VPA FLEGT
Mouchili	AFCONT: Association des Forets communautaires de Ngambe Tikar. 3 CFs as members	President	Field visit and exchange meeting ; position of association
M. Paul Ndindjock	Commune de Messondo	M. le Maire de la Commune	Council forest, functioning
Jeroen van der Horst	CTFC Centre Technique de la Forêt Communale	Ingenieur forestier GIZ	Role and work of CTFC; options for collaboration
Hon. Baloulognoli Maurice	Regefoc (Reseau des gestionnaires des forêts communautaires de Boumba et Ngoko) 20 CFs as members	President	Situation of CFs in Yokadouma
	UFCD : Union des Forets Communautaires de Djoum . 4 CFs as members		Field visit Ngambe Tikar and exchange meeting

ANNEX D: Full Access to Finance report

See separate document

ANNEX E: List of Community Forests in Cameroon as per Oct 2008

(document: Base FC CDFC Oct 2008)

See separate document

ANNEX F: Overview of Community Forestry support organizations in Cameroon

Support organi-zation	Name project(s)	Type of support	Location / beneficiaries	Since / period
CAMECO	Community Forestry projects	3) Support acquisition and exploitation of CFs. 4) Capacity development of actors	Works with 10 CFs in Central and Littoral region , total 33,000 ha.	Since 10 years
CED	Payment for Environmental Services project (Supported by DFID and Rainforest Foundation).	Objectives: 1) protect, restore and manage forests sustainable and improve living conditions 2) improve management capacities of forest communities 3) learn about possible REDD+ initiatives an role of rural communities. Strengthen the capacities of population in quantification of Carbon in view of voluntary carbon markets. Putting in place a mechanism of measuring, reporting and verification (MRV). Facilitate adoption of MRV by local populations. Mapping, socio economic research, quantification of carbon.	2 CFs in Lomie (East) and Djoum (South)	
CRS	FCCP: Foresterie Communautaire pour Combattre la Pauvreté ;	Objectives: 1) support communities to obtain and exploit CFs ; 2) awareness raising on annual forest tax (RFA)	Diocese of Batouri (Kadey department); 25 CFs in 40 villages in Batouri, Nedelele and Mbang districts. Total area is 37,000 ha, with average size 1,500 ha. Have set up a CF federation “ASFOKA” (Association -federation des Forets communautaires de la Kadey)	FCCP: 2006-2011 (new phase expected)
ICCO	Sustainable Forest Management (SFM) Program with partners SNV, Cameco, SCNIC, CEPFILD.	With SNV established and supported a business service provider (SCNIC). Support through grants and loans. Capacity building support, support to clustering and strategic cooperation of partners NGOs and business service provider. Feasibility study for FSC group certification. Objective: increase sustainable income of smallholders through SFM; creation of commercially operating BDS providers	East province, mainly Lomie district Littoral (location of Cameco and CEPFILD)	Since nearly 15 years. ICCO stopped support in 2011.

MINFOF	Project "RIGC" (Strengthening of initiatives of community management of forest and wildlife resources)	Objectives: support for elaboration of simple management plans and to CFs acquiring equipment (chainsaws and Lucas mills). Awareness raising and training of actors (Forest service staff, rural communities, service providers-NGOs); inventory support; granting of equipment	Nationwide	Ongoing
Nature+	PDFC (Programme de Développement des Forêts Communautaires)	Objectives : establish well run community forest enterprises that contribute to livelihoods and sustainable forest management	REFOCOD: Lomie, East AFCOM: Ebolowa, South AFCONT: Ngambe Tikar, Central; Total of 14 CFs with 55,000 beneficiaries	PDFC ends by December 2012
SNV	Community forestry program Project "Promotion of production and legal exportation of timber that originates from Community Forests" (PEL-FC)	5) Selection of advanced CFs, technical, organizational and administrative support 6) Clustering of CFs supported by local NGOs 7) Develop private sector (business service provider, SCNIC) to provide quality marketing services to CFs 8) Lobby and advocacy 9) Awareness raising about NTFP and quality standards Activities: technical training in exploitation and first processing; training of trainers; facilitation of sales contracts between CFs and associations of woodworkers; annual investment plans, based on the Annual Certificates of exploitation.	East, South and Central Provinces; 44 CFs in 7 groups, 70 villages, 40,000 beneficiaries	Since 15 years PEL-FC project ending December 2013
WWF	<u>Projects:</u> DACEFI phase 2 (Development of Community Alternative to illegal exploitation); CBFE: Community Based Forestry Enterprises; Programme Jengi; Programme Kudu-Zombo;	Supports CFs around protected areas, takes Community Forestry Enterprise approach. 1) Support acquisition and exploitation of CFs. 2) Capacity development of actors 3) Capacity development on FLEGT and REDD+ processes, and support to the certification of small production and processing units.	DACEFI: in several regions Programme Jengi: South East Cameroon; Programme Kudu-Zombo South, Campo Ma'an;	Overall : since 2003 ; DACEFI: 2010-2014 CBFE : 2007-2010

Source: FSAS (2012), based on Cuny (2011) and FSAS desk study and interviews May 2012