

WORLD BANK / WWF ALLIANCE

**STUDY ON
ORIGIN OF TIMBER USED IN PUBLIC FINANCED
CONTRACTS IN AFRICA**

**FRR
&
THE FORESTRY DEPARTMENT OF CIRAD**

**COUNTRY REPORT
GABON**

**Jean GERARD
April 2005**

**CIRAD-Dist
UNITÉ BIBLIOTHÈQUE
Baillarguet**



TABLE OF CONTENTS

1 – COUNTRY DATA	3
11 - General data	3
111 - The major characteristics of Gabon	3
112 - Socioeconomic context	4
113 - Forests and vegetation	4
12 - Wood production	5
13 - Domestic consumption	5
14 - Timber products purchased by public agencies	6
141 - Prejudice against wood application in construction	6
142 - Two types of public markets	6
143 - Assessment of timber products purchased by public agencies	7
144 - An example of local promotion of wood application	8
15 - Exports	8
151 - General data	8
152 - Specific case of Okoume market	10
153 - Detailed data for exports	10
2 - DEFINITION OF LEGAL SOURCE	14
21 - Definition of legal source or definition of illegal source?	14
22 - General principles of the Forestry Code	15
23 - Management of the forest	15
24 - Forest exploitation and logging	16
241 - Definition of the logging permits	16
242 - Conditions of logging permit allocation	17
243 - Main general specifications for exploitation of timber forests	19
25 - Forest products marketing	20
26 - Social, financial and economic measures	20
27 - Present situation of the logging permits and sustainable management plans	21
3 PROCUREMENT CODES	23
31 - General dispositions	23
311 - Matter of application scope and definitions	23
312 - Persons in charge of the preparation of the public markets	24
313 - Applicants	24
32 - Markets submission	25
321 - General dispositions	25
322 – Publicity	25
323 - Markets from invitations to tender	25
324 - Suppliers consulting	28
325 - Direct arrangement procedure	29
326 - “e-procedures”	29
33 - Markets conclusion, approval and notification	29

331 - Conclusion and approval.....	29
332 - Notification	30
34 - Implementation of the publics markets	30
341 - Forms of the markets	30
342 - Markets contents and issues.....	30
342 - Prices of the markets	31
343 - Conditions of contract	32
344 - Termination and postponement of public markets	32
35 - Appeals.....	33
351 - Appeals against the decision of public market procurement	33
352 - Appeals during markets implementation	33
36 - Control of the Public Markets	34
361 - Signing control	34
362 - Control of implementation, acceptance and/or delivery	34
37 - Procurement codes and origin of timber.....	35
4 - FOREST PRODUCTS FLOWS	36
5 - THE INFORMAL SECTOR	38
51 - General considerations.....	38
52 - An example of well-developed informal wood sector activity	39
521 - Sawyers along the shore.....	39
522 - Bush sawyers.....	40
53 - Practical consequences of informal wood sector activities – Conclusions	40
6 – CONCLUSIONS	43
61 - Gabon, a forested country	43
62 - Gabon particularity: Okoume production	43
63 - Sustainable management is boosted	43
64 - Illegal logging and public markets	44
65 - Exports trends and hazards.....	44
7 – RECOMMENDATIONS	46
71 - Sustainable management for the small forestry concessions.....	46
72 - Support for sustainable forestry initiatives in Gabon and in the Congo Basin	47

1 – COUNTRY DATA

11 – General data

111 – The major characteristics of Gabon

- Gabon is the main Okoume supplier in the world
- Gabon is a major centre for biodiversity in tropical Africa
- Gabon has the largest forest surface per capita in Africa

The following table gives data about Gabon situation at the beginning of the 21st century:

Country and forest

Surface of the country	26.7 millions hectares
Population in 2000	1,200,000 inhabitants
Number of plant species	6,000 – 10,000
Number of mammal species	180
Number of birds species	680
Surface of dense forest	22 millions ha
Deforestation ratio	0.1% per year
Forest surface per capita	19 ha
% of the country surface dedicated to agriculture	0.4%

Forest exploitation

% of the country surface exploited	Around 50%
increase of exploited surface	1.5% per year
% of the country surface with sustainable management	2.3%
% of the country surface with forest plantations	0.1%
Commercial timber reserves	500 millions m3
Average age of 80cm diameter Okoume trees	more than 80 years
Average age of 80cm diameter Moabi trees	more than 200 years
Wood production during 20 th century	100 millions m3

Wood industry and marketing

Logs exports in 2003	2,500,000 m3
% Okoume exports in 2003	65%
Okoume FOB price (average) for logs (CI quality)	95,000 CFA per m3
Okoume FOB price (average) for plywood	280,000 CFA per m3
Production of processed timber in 2003	450,000m3
% of the total production which is processed	16%

112 – Socioeconomic context

Capital City	Area (km ²)	Population ^a (millions)	GNP/Cap ^b (US\$)	Country Status ^b
Libreville	267,670	1,1	3,110	Upper-middle income

^{a, b}: 2003 data from World Bank Africa Database 2002.

(<http://www.worldbank.org/data/countrydata/aag>)

General country indicators.

Population (millions)	Density (inhbt/km ²)	Growth (%/yr)	Life expects. (at birth)	Distribution ^a		D. rural (inhbt/km ²)
Urban	Rural					
1,1	4.6	1.5%	53	76%	24%	1.1

1999 figures from US Bureau of the Census, International Data Base

(<http://www.census.gov/>). Data updates from World Bank Africa Database 2002.

(<http://www.worldbank.org/data/countrydata/aag>)

^a: 1995 figure from United Nations Statistics Division

(<http://www.un.org/Depts/unsd/social/hum-set.htm>)

Population indicators.

Gabon is characterized by a very high percentage of the population residing in urban areas.

GDP bn.US\$	GDP growth	Total Debt/GDP	Structure of GDP			Commodity exports
			Agr.	Ind.	Ser.	
5.0	1.7%	68%	7.5%	55%	37%	Crude oil (80%), wood products, minerals

1997 figures from World Bank Africa Database 1998/1999 & the CIA World Fact book 1999

(<http://www.odci.gov/cia/publications/factbook/index.html>). Data updates from World Bank Africa Database 2002. (<http://www.worldbank.org/data/countrydata/aag>)

Economic indicators.

113 - Forests and vegetation

Vegetation type	Area (x 100 ha)
Rainforests	21,328
Second. Forests / Fallows	1,722
Forest / Savannah mosaics	18
Dry Forests/Miombo	0
Woody savannas	0
Shrub savannas/Steppes	0
Grass savannas	2,651
Herbaceous swamps	152

Mangroves	155
Total Vegetation	26,026
Rainforests	82%
"Secondary" vegetation	7%
Savannahs, woodlands	
Herbaceous vegetation	11%

Source: Ph. Mayaux (Pers. Comm.) TREES II project (<http://www.trees.qvm.sai.jrc.it>)
Vegetation cover.

%Rain forest	Wood export	Log exports	Main clients (logs)
80%	2,775,000	2,719,500	China (37%), France (17%), Hong Kong (6%), Turkey (5%) Philippines (5%), Japan (4%)

Source: ATIBT (1999), E. Forni (Pers. Comm.), ITTO (<http://www.itto.or.jp/>)
Timber sector

IUCN Protected Area Categories (x 000ha)					P.A. as % of land area
I	II	IV	VI	Total	
10	0	1816	0	1826	7%

Source: IUCN WCMC database on World Protected Areas (<http://www.wcmc.org.uk/>)
and Brugière (1998) for Gabon
Protected areas

12 – Wood production

The Gabonese wood production from 1999 to 2003 (ITTO sources) is given in the following table:

Product (x 1000m3)	Year				
	1999	2000	2001	2002	2003*
Logs	3635	3715	4216	4000	4000
Sawn timber	98	88	112	117	117
Veneer	133	91	110	110	110
Plywood	134	104	76	141	141
TOTAL	4000	3998	4514	4368	4368

* : estimated from 2002

13 – Domestic consumption

The Gabonese wood domestic consumption from 1999 to 2003 (ITTO sources) is given in the following table:

Product (x 1000m3)	Year				
	1999	2000	2001	2002	2003
Logs	1297	1131	1902	2000	1500
Sawn timber	29	9	48	28	28
Veneer	9	2	6	5	5
Plywood	76	26	19	121	121
TOTAL	1411	1168	1975	2154	1654

14 – Timber products purchased by public agencies

Even if data have been supplied about the wood domestic consumption in Gabon, it appears that these figures must be treated with some caution due to the very important role of the informal sector (see chapter 5) in comparison with the official levels of wood production.

Hence, it will be all the more difficult to estimate precisely the volumes of timber used for public markets.

141 – Prejudice against wood application in construction

Public markets and public constructions often correspond to top of the range building for which substantial budget are the most often allowed.

Thus, wood utilization for such projects is very frequently badly received: in Gabon as in many African countries, wood is often considered as a cheap material just usable for light construction (or shack construction).

Wood is a basic material traditionally used by Gabonese people; many of them consider wood as a material from the past. For the construction of a private house, other material as concrete or steel will be preferred.

It is only for higher quality construction that wood will win again his spurs and will be appreciated especially for interior fittings and high quality furniture.

142 – Two types of public markets

Two types of public markets have to be considered:

- "real" public markets for which orders come from public services as Ministries or local authorities,
- para-public markets launched by semi-public or partially public bodies or companies as banks or embassies.

In particular, banks seem to constitute a major principal for public markets and some Gabonese building companies make a major part of their turnover with them.

The main banks concerned by para-public markets including wood components are:

- *Banque Internationale pour le Commerce et l'Industrie du Gabon* (BICIG)
- *Banque Gabonaise de Développement* (BGD)
- BGFIBANK Gabon (BGFI Gabon)
- CITIBANK N. A. Gabon (CITI Gabon)
- *Union Gabonaise de Banque* (UGB)
- Financial Bank Gabon

For many building firms, “real” public markets don’t represent anymore a significant part of their turnover and para-public markets presently constitute their major activity.

Moreover, these para-publics markets are more appreciated by the building contractors because payment procedures go smoothly.

For “real” public markets, contractors have more and more difficulties to be paid, sometimes several years after the end of the construction, sometime never.

Public administration has the bad reputation to sometimes undertake expenditures for markets without having the corresponding budget available.

Especially for 2 or 3 years, due to financial difficulties of the State, these public markets become less and less frequent.

More and more, building firms don’t trust these public markets and avoid to tender, except for the markets related to rotary fairs (= *fêtes tournantes*) organised each year in a given province of the country in order to boost it.

For these fairs, substantial budgets are put aside and the corresponding markets constitute a good opportunities for the State to help the development of a given region.

Presently, only two or three major building firms are commonly involved in public markets.

At the end of 2004, only a main public market was in progress including a very important wood products order: the repairing of the presidential palace with wood joinery and interior fittings works amounting to 1.4 billion CFA francs.

143 – Assessment of timber products purchased by public agencies

Complete data are only available for the year 1999 in the framework of an on-going study on micro-economy data process.

The following table is given:

Publics works activities (in billions CFA francs)

	Companies	Individual enterprises	Total
Production	169.5	140	309.5
Intermediate consumption	126	53.3	179.3
Including metals	4.1	2.0	6.2
materials	15.8	7.8	23.6
processed woods	1.2	0.6	1.8
Added value	43.5	86.8	130.2
Salaries	31.6	21.0	52.6
Tax	11.8	2.8	14.6
Gross surplus	0.1	63.0	63.1

The table brings to the fore the very small place occupied by wood products in the public markets.

Moreover, it shows the important place of informal sector (a main part of individual enterprises), one third of the total activity for wood, while companies correspond to formal sector.

These figures meet assessment from wood operators who consider that 1000 to 2000m³ of sawn timber are yearly used for public markets, i.e. more or less around 1% of the Gabonese sawn timber production.

In every case, no information is available about the origin of timber for these woods utilized in the public markets.

Wood origin doesn't worry at all the procurers and it is never known except when wood exceptionally comes from major forest companies.

144 - An example of local promotion of wood application

When the construction of the new building of the Ministry of Water and Forest Resource has been budgeted, it has been decided to take advantage of this opportunity to show the Gabonese wood applications possibilities.

Hence, it has been demanded to the architect to include a lot of wood components into this project.

The duration lasted from August 2000 to December 2001 (building delivery).

A wide range of timber species has been used: Tali for façade, Padouk for sliced veneers utilized for interior applications, Bilinga and Douka for interior joineries, windows frames and interior fittings.

15 – Exports

151 – General data

The Gabonese wood exports from 1999 to 2003 (ITTO sources) is given in the following table:

Product (x 1000m³)	Year				
	1999	2000	2001	2002	2003*
Logs	2338	2584	2314	2000	2500
Sawn timber	69	79	77	103	103
Veneer	124	91	104	108	108
Plywood	77	78	57	30	30
TOTAL	2608	2832	2552	2241	2741

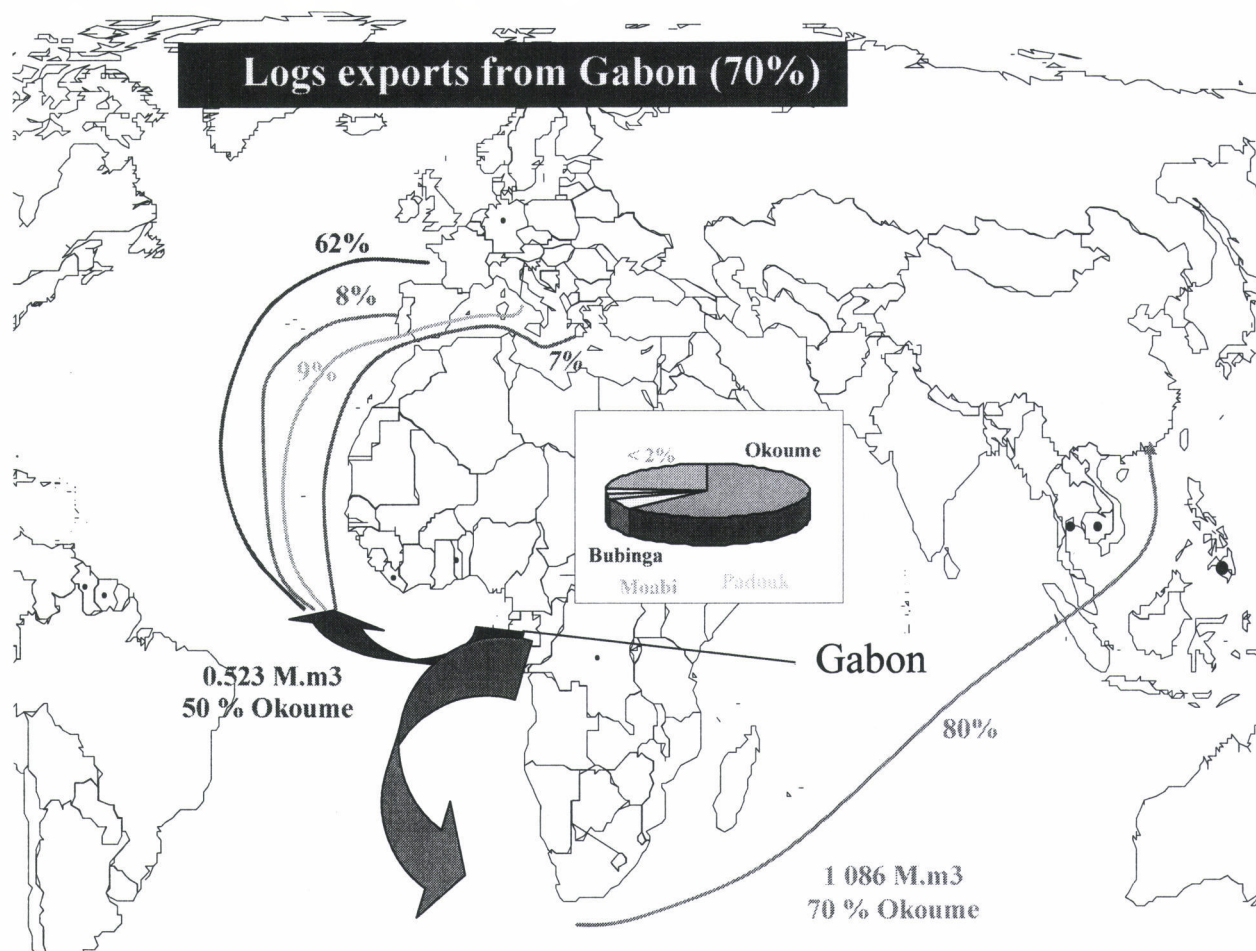
*: estimated from 2002 data

For 2001 and 2002, the values of these exports are as follows:

Product (x 1000m³)	Value (x 1000\$)		Unit value (\$/m³)	
	2001	2002	2001	2002
Logs	254539	220000	110	110
Sawn timber	19099	25750	248	250

Veneer	39561	41040	380	380
Plywood	13642	7200	239	240

The following chart illustrate the exports flows from Gabon:



The export duty on tropical logs has been increased from 15% to 20% in order to reduce log exports. No export duty is applied to sawn wood, veneer and plywood, in order to encourage local processing and exports of processed products.

The Government of Gabon has also reduced log export quotas in an effort to encourage forest industries to process the bulk of their timber production locally in compliance with current government policy. The further processing of timber undertaken locally will have a beneficial impact on the housing conditions and livelihoods of the Gabonese people.

A quota has been fixed for each operator by the SNBG (Gabonese national timber company) on the production of Okoume timber. Forest development is encouraged by introduction of a new Forestry Law, which grants increasingly large areas for the implementation of management plans with a felling cycle of more than 20 years.

The major forest companies in the country are mostly subsidiaries of larger European firms, although Asian business concerns are becoming more prominent in Gabon's forest sector.

Apart from the main species such as Okoume, Padouk, Kevazingo, etc., species such as White Longhi, Pao-rosa and Beli are increasingly being used. In order to secure the sustainable supply of timber for future processing plants, the promotion of lesser-known and/or lesser-used forest species remains a short-term priority of the Department for Water and Forest Resources.

152 - Specific case of Okoume market

Big changes in the Okoume market International demand for Okoume logs is currently very sluggish. Trading conditions for Okoume suppliers remain extremely difficult, with exporters margins squeezed between high taxes on the one hand and slow market conditions on the other.

Major regulatory changes are currently underway in Gabon, the main source of Okoume logs. In December 2004, the government announced that SNBG, the state-controlled organization that holds a monopoly in the nation's Okoume and Ozigo log trade, would lose this monopoly from 1 January 2006.

The announcement followed a study by a consultancy firm which had highlighted the organisation's precarious financial position. SNBG is to be restructured during a transitional period in 2005 with the aim of significantly reducing costs. The future role of SNBG, which was originally established to protect small and medium-sized forest operators in the country, will also be considered during the transition period. After 1 January 2006, exporters will be free to sell Okoume and Ozigo directly into overseas markets, although it is expected that the SNBG technical department will, as now, act to control log measurement and quality.

Other regulatory measures in Gabon are aimed at tightening harvesting levels and increasing domestic wood processing.

Concessionaires that develop processing capacity in Gabon now benefit from a reduction in the level of tax imposed per hectare of concession. In recent years, log exports from Gabon have been falling by around 10-15% annually. Indications are that the decline in logs exports accelerated during 2004. Production of sawn timber, rotary veneers and plywood in Gabon is now estimated to be in the region of 500,000m³ per annum, roughly equal to one quarter of total production. Rougier Group has opened a new sawmill in Franceville Gabon in February 2005.

In further moves to encourage domestic wood processing, Gabon intends to introduce a log export quota system, similar to that in Cameroon, from January 2006 after an introductory period starting in mid 2005.

153 – Detailed data for exports

The following tables give more detailed on woods exports from Gabon per species and per destination.

Volumes exported by species in m³ between 2000-2003

Species	2 000	2 001	2002	2003	2002/2003	Total species % 2003
OKOUME	1 659 083	1 482 706	1 233 222	1 099 713	-11%	99%
OZIGO	62 050	24 786	9 958	16 805	9%	1%
Total OKOUME/OZIGO	1 721 133	1 507 492	1 243 080	1 116 518	-11%	100%
PADOUK	123 909	114 326	121 212	109 217	-10%	18%
MOABI	55 766	72 851	54 497	54 183	-1%	8,9%
KEVAZINGO (BUBINGA)	87 395	86 431	77 176	50 632	-35%	8,3%
MOVINGUI	36 194	34 146	28 037	34 306	22%	5,7%
BELI (AWOURA)	36 889	47 095	49 520	34 587	-35%	5,6%
AZOBE	40 198	37 988	33 263	29 806	-11%	4,9%
DOLKA (MAKORE)	31 459	35 906	25 549	25 191	-1%	4,1%
AGBA	53 007	55 945	34 934	23 417	-33%	3,9%
TALI	28 995	26 548	18 798	20 893	11%	3%
BAHIA	38 046	33 318	27 995	20 042	-28%	3%
ROKO	43 590	34 143	17 540	18 447	5%	3%
ACAJOU	21 323	18 714	14 278	17 822	34%	3%
OVENGOL	11 581	16 205	15 552	16 402	5%	3%
OKAN	12 929	8 512	8 102	14 675	81%	2%
BILINGA	49 462	19 298	21 669	13 510	-38%	2%
IZOMBE	24 274	34 861	23 221	11 688	-50%	1,9%
SAPELLI	10 246	17 161	9 465	11 622	23%	1,9%
EBIARA	7 546	4 343	6 672	11 198	68%	1,8%
IGANGANGA	32 689	13 352	8 363	9 497	14%	1,6%
GOMBE	5 025	4 348	4 442	8 873	100%	1,5%
DOUSSE	6 613	11 320	11 222	8 630	-23%	1,1%
NIANGON	10 170	10 466	6 136	6 467	5%	1,1%
SIPO			8 478	6 421	-24%	1,1%
ZINGANA		1 978	8 884	5 764	-35%	0,9%
WENGE	2 373	2 304	4 483	5 510	23%	0,9%
BOSSE	4 964	6 194	4 322	4 676	8%	0,8%
PAO ROSA	3 074	3 064	3 123	3 339	7%	0,6%
ANDOUNG	15 118	1 687	1 656	3 235	95%	0,5%
DIBETOU	7 529	5 924	4 133	3 121	-25%	0,5%
NIOVE	4 649	1 718	4 227	3 073	-27%	0,5%
EYONG		3 046	2 541	2 948	16%	0,5%
TIAMA	7 365	5 578	3 204	2 789	-13%	0,5%
GHEOMBI		80	795	2 719	342%	0,4%
KOTIBE	5 232	3 403	2 181	1 955	-10%	0,3%
KOSIPO	2 844	2 868	1 617	1 395	-14%	0,2%
OLON		310	499	1 071	114%	0,2%
FARO		19		1 010	100%	0,2%
DABEMA			28	940	3357%	0,2%
LOMBA				816	100%	0,1%
ANDEM	4 468	1 098	333	814	144%	0,1%
ALONE	3 258	277	48	787	1639%	0,1%
AIELE		57		635	100%	0,1%
EVESSE				488	100%	0,1%
CINZABILI				463	100%	0,1%
BOMANGA		163	347	438	26%	0,1%
BENZI		99	227	372	63%	0,1%
ACUMINATA		262	302	348	15%	0,1%
ETIMOÉ		529	685	234	-66%	0%
LONGUI		7 223	870	105	-88%	0%
SAFOUKALA			20	66	230%	0%
TCHITOLA			19	53	179%	0%
MUKULUNGU		105		49	100%	0%
FROMAGER		662				0%
LIMBA		94	566		100%	0%
AFO				98	100%	0%
BODIAD			70		100%	0%
BILINGA		64				0%
EKOUME			62		100%	0%
LONGUI ROUGE		47				0%
EDJI		25				0%
LONGUI BLANC		3176	22		100%	0%
AKATIO		6	6		100%	0%
GEOMBI		6				0%
EMEN			6		100%	0%
Others	16 295	2 467	13 295		100%	0%
Total diverse species m³	844 405	791 810	684 692	606 837	-13%	100%
Grand total m³	2 574 349	2 313 988	1 927 772	1 717 355	-11%	

Total volume exported between 2000-2003 in m³

Country	OCCURE / OZIGO (m³)					Total country % 2003	Part of export 2003 m³		
	2000	2001	2002	2003	2002/2003 %		Libreville	Port gentil	Mayumba
China	1 019 677	860 311	822 233	732 554	-11%	66	452 293	270 680	9 581
India	12 144		462		-100%				
Hong Kong	4 833	39 434	9 057	10 827	19%	1		10 827	
Turkey	38 604	11 314	17 597	17 452	-1%	1,6	11 297	4 770	1 385
Israel	58 474	10 976	1 650		-100%				
Taiwan				4 134	100%	0,4		4 134	
Japan	21 102	5 306	63	201	219%		201		
Korea	22 162	5 226							
Philippines	15 576	38 418							
Malaysia	4 746	4 590	2 721	189	-93%		189		
Thailand			2 176		-100%				
Total Asia	1 197 318	975 575	855 959	765 357	-11%	69,1	463 980	290 411	10 966
France	320 297	324 609	227 821	188 676	-17%	17	136 754	46 299	5 623
Portugal	1 138	1 002	135	128	-5%		128		
Greece	46 158	39 609	37 658	30 459	-19%	2,7	5 091	846	24 522
Italy	5 134	6 067	6 140	3 890	-37%	0,4	519	1 077	2 294
Netherlands	27 090	17 778	5 968	242	-96%		242		
Germany	2 672	3 762	1 423	1 548	8%	0,1	720		828
Cyprus		3 015	1 219		-100%				
Spain	10 744	12 380	17 247	18 676	8%	1,7	10 290	8 388	
Total Europe	413 233	408 222	297 611	243 621	-18%	21,9	153 744	56 610	33 267
Morocco	91 546	100 257	83 121	89 658	8%	8,1	49 443	38 136	2 074
Algeria	8 472	16 662	2 976	6 868	130%	0,6	6 868		
Tunisia	270	565	689	72	-90%		72		
South Africa				291	100%		211	80	
Total Africa	100 288	117 484	86 786	96 844	11%	8,7	56 594	38 216	2 074
Mexico	4 870	3 304	2 725	4 656	71%	0,3	1 130	842	2 684
Others	5 425	2 899							
Overall total	1 721 133	1 507 492	1 243 080	1 110 518	-11%	100%	675 448	386 079	48 991
							TOTAL	1 110 518	

Country	OTHER SPECIES m³					Total country % 2003	Part of export 2003 m³		
	2000	2001	2002	2003	2002/2003 %		Libreville	Port gentil	Mayumba
China	67 250	61 094	100 396	141 203	40%	23,3	109 672	21 368	10 163
India	138 206	133 171	142 443	99 226	-30%	16,4	92 850	6 376	
Hong Kong	99 835	77 167	54 008	20 549	-62%	3,4	17 349	3 002	198
Turkey	22 892	22 853	12 431	18 836	51%	3,1	12 506	5 413	917
Israel									
Taiwan	56 237		32 322	32 398	1%	5,3	24 446	7 952	
Japan	20 807	16 000	10 238	9 124	-11%	1,5	8 626	498	
Korea	6 506	7 627	6 994		-100%				
Philippines	3 651								
Malaysia			1 888		-100%				
Total Asia	415 384	317 912	360 720	321 336	-11%	53,9	265 449	44 609	11 278
France	163 348	183 615	128 919	136 292	6%	22,5	99 334	25 234	11 724
Portugal	114 878	107 551	72 942	43 964	-40%	7,2	32 456	4 863	6 645
Greece	25 416	22 810	15 453	8 822	-43%	1,5	7 559	475	788
Italy	53 356	58 528	51 852	44 636	-14%	7,4	28 015	15 008	1 613
Netherlands	13 870	18 099	20 451	17 977	-12%	3,0	5 194	12 783	
Germany	19 776	28 137	15 078	16 293	8%	2,7	10 273	4 436	1 584
Spain	8 863	12 914	7 942	8 255	4%	1,4	5 148	3 107	
Belgium		1 379	890	890	-35%	0,1	814	76	
UK			192	1 542	803%	0,3	645	897	
Total Europe	419 507	431 654	314 208	278 671	-11%	46	189 438	66 879	22 354
Morocco	3053	2 192	3 233	2 315	-28%	0,4%	954	1 162	199
Algeria		915		3 440	100%	0,6%	557		
Tunisia	4554	4 608	3 866	557	-86%	0,1%	1 416	2 024	
Senegal			1 263		-100%				
South Africa			454	518	14%	0,1%	506	11	
Total Africa	7607	7 715	8 816	6 830	-25%	1%	3 433	3 197	199
Mexico		3 304							
Others	14 934	37 019	13 295		-100%				
Overall Total	844 405	791 810	684 692	606 837	-13%	100%	458 320	114 685	33 831
							TOTAL	606 837	

Country	TOTAL EXPORTS (m€)					Total country % 2003	Part of export 2003 m€		
	2000	2001	2002	2003	2002/2003 %		Libreville	Port gentil	Mayumba
China	1 086 927	921 405	922 629	873 757	-5%	50,7	561 955	292 048	19 744
India	150 350	133 171	142 905	99 236	-31%	5,8	92 850	6 375	
Hong Kong	104 668	116 601	63 065	31 376	-50%	1,8	17 349	13 829	198
Turkey	61 496	34 167	30 028	36 288	20%	2,1	23 803	10 183	2 302
Israel	58 474	10 976	1 650		-100				
Taiwan	56 237		32 322	36 532	13%	2,1	24 446	12 086	
Japan	41 909	21 306	10 301	9 325	-10%	0,5	6 827	498	
Korea	28 668	17 443	6 994		-100%				
Philippines	19 227	38 418							
Malaysia	4 746	4 590	4 609	189	-96%		189		
Total Asia	1 612 702	1 298 077	1 214 503	1 086 693	-11%	63	729 419	335 010	22 244
France	503 645	508 224	356 740	324 988	-9%	18,9	236 088	71 533	17 347
Portugal	116 016	108 553	73 077	44 092	-40%	2,6	32 584	4 863	6 645
Greece	71 574	62 419	53 111	39 281	-26%	2,3	12 650	1 321	25 310
Italy	58 490	64 595	57 992	48 526	-16%	2,8	28 534	16 085	3 907
Netherlands	47 541	35 877	26 419	18 219	-31%	1,1	5 436	12 793	
Germany	22 448	31 899	16 501	17 841	8%	1,0	10 993	4 436	2 412
Cyprus		3 015	1 219		-100				
Spain	19 607	25 294	7 942	26 933	339%	1,6	15 438	11 495	
Belgium			1 379	890	-35%	0,1	814	76	
UK			192	1 542	803%	0,1	645	897	
Total Europe	839 321	839 876	594 572	522 292	-12%	31	343 182	123 489	55 621
Morocco	94 599	102 449	86 354	91 988	7%	5,4%	50 397	39 298	2 273
Algeria	8 472	17 577	2 976	10 308	346%	0,4%	7 425		
Tunisia	4824	5 173	4 555	629	-86%	0,2%	1 488	2 024	
Senegal			1 263		-100%				
South Africa			454	809	78%		717	91	
Total Africa	107 895	125 199	95 602	103 714	8%	8%	60 027	41 413	2 273
Mexico	4 870	6 608	2 725	4 656	71%	0,3	1 160	842	2 654
Others	20 359	39 918	13 295		-100%				
Overall Total	2 574 349	2 313 988	1 927 772	1 717 355	-11%	100%	1 133 758	500 763	82 822
							TOTAL	1 717 355	

2 – DEFINITION OF LEGAL SOURCE

Illegal logging is primarily a symptom of unclear or poorly enforced forest tenure, weak political institutions, corruption, inadequate natural resources planning and monitoring, and lax enforcement of sovereign laws and regulations.

The problem appears to be most acute in countries without private forest ownership or clearly controlled tenure. Ambiguous forest tenure is a major impediment to legality as there is less incentive to protect assets from theft and destruction.

Uncertainties involve in assessing the extent of illegal logging. Reported estimates - often derived from campaigning NGOs - are generally supported only through anecdotal information and supposition.

These estimates are likely to be exaggerated.

An example of such information widely disseminated from supposition, non-verified data and without reliable basis, is following: *"Gabon has lost approximately 35% of its forests. The forestry law in Gabon is incomplete, ill-defined and ill-enforced. Despite this, there is a high level of illegal logging. Article 14 of Law 1/82 states that forest concessions must be regulated by a management plan. Failure to gain Ministry approval of the management plan within three years of being awarded a concession triggers the forfeiture of the concession. Since the late 1990s only five of more than 200 companies in Gabon have commenced or stated they intend to start writing a management plan. It seems that these five companies account for 30% of concessions and have logged those concessions for more than three years. This implies that at least 70% of logging in Gabon can be described as illegal. It should also be noted that, despite the 75% national processing rate target set by the current forestry code, less than 18% of Gabon's log production is processed before exporting (Global Forest Watch)."*

On the other hand, it has to be noted that illegal activity of the type that rises to international significance is pervasive in some countries.

21 – Definition of legal source or definition of illegal source?

Defining legal source can be easily done taking into reference the rules and regulations in force in any country and considering them as an unchanging frame inside which all is possible.

For all what is around wood, timber and forest products generally speaking, the National Forestry Code constitutes this frame as it will be seen in the following paragraphs.

It also appears interesting to try to define, in an opposite way, what is illegal source.

Illegal source takes place when timber is harvested, processed, transported, bought or sold in violation of national laws. Types of illegal activity include illegally obtaining concessions (e.g. via corruption), cutting trees without permission or outside the proscribed area, taking out more trees, under-sized trees or over-sized trees than is permitted, illegal processing, an under-declaration to customs of the amount being exported and non-payment or under-payment of taxes.

22 – General principles of the Forestry Code

The Forestry Code represents the general frame of the forestry and wood sector and consequently includes all requirements to define what is legal source of timber in Gabon.

The Forestry Code corresponds to the Law n° 016/01 (2001, December, 31) promulgated by the Gabonese National Assembly and the Gabonese Senate.

This document is organized into the ten following chapters:

- Management of forests and wildlife
- Exploitation of forests and wildlife
- Wood sector and wood industry
- Marketing and promotion of forest products
- Social, financial and economic measures
- Customary right and common law
- Repressive measures
- Various measures
- Transitional measures
- Definitive measures

The Forestry Code defines all the necessary measures to insure sustainable management of the forestry and wood sector in order to increase its contribution to the economic development of the country in the respect of the law.

The sustainable management of the forestry and wood sector corresponds to the rational exploitation of the forests (+ wildlife and fishing resources) based on:

- protection of ecosystems and biodiversity conservation,
- value-added utilisation of resources and ecosystems,
- regularity and sustainability of the production,
- constant inventory of the forest resources,
- management of the natural resources,
- training and research,
- involvement of the local operators in the activities of the forest and wood sector,
- awareness and education of the populations and forest users.

23 – Management of the forest

Any state-owned forest must be managed according to a management plan which aims to reach the above listed objectives.

A management plan concerns a geographical area called Management Forestry Unit (= *Unité Forestière d'Aménagement* = UFA).

This plan must include:

- the socio-economic and bio-physical analysis of the UFA,
- the management objectives,

- the proposed management,
- the management costs,
- the implementation of the monitoring-assessment and the management review.

The management plan defines the following points:

- limits and surfaces of the forests stratum and series,
- composition of the “aimed species” group,
- rotation chosen for the management,
- minimum exploitable diameter (MED) chosen for the UFA for each “aimed species”,
- recovery ratio for each aimed species between the first and the second logging operation,
- yearly logging possibility,
- limits of the management units,
- logging chronology during the whole cycle,
- location and characteristics of the roads and other main infrastructures,
- measures concerning social considerations and environment protection and conservation.

An industrialization plan must accompany the forest management plan, which is submitted to be agreed by the Administration of Forest Resources within a period of three years from the date of the signature of the provisory agreement for management, exploitation and processing operations (= *Convention Provisoire d'Aménagement - Exploitation - Transformation* = CPAET).

The convention is automatically cancelled over the deadline.

24 – Forest exploitation and logging

241 – Definition of the logging permits

Forest exploitation consists in the implementation of all or part of timber production operations and eventually production of other non-wood products or related products for which exploitation licences are given.

Exploitation of any registered state-owned forests or any rural forest is only possible with one of the following industrial permits:

- Forest concession under sustainable management (= *Concession Forestière sous Aménagement Durable* = CFAD),
- Associated forest permit (= *Permis Forestier Associé* = PFA),
- Mutual agreement permit (= *Permis de Gré à Gré* = PGG).

☞ PGG are only given for local timber processing to Gabonese operators in rural forests.

It concerns the allocation of 50 trees at the most in previously identified and delimited areas.

☞ PFA is an area permit only given to Gabonese operators for permanent forests except listed state-owned forests.

PFA surface is lower than 15,000 ha when it is integrated inside a CFAD and 50,000 ha when the recipient has a specific management plan and when he can organize by himself the timber processing according to the rules and regulations in force.

☞ CFAD is an area permit allocated to any natural or artificial person for the exploitation of permanent forests except listed state-owned forests, with the obligation to have a management plan and timber processing at a local level.

CFAD surface is between 50,000 and 200,000 hectares.

In any case, the total surface of several CFAD allocated to a same recipient is higher than 600,000 ha.

The minimum duration of a CFAD or a PFA corresponds to one rotation. This rotation is renewable.

Taking a stake in a forest company or create a new forest company previously need Forest Services authorization.

In every case, these operations are forbidden when they lead to have surfaces over 600,000 ha allocated to only one recipient.

242 – Conditions of logging permit allocation

Any natural or artificial person who wants to start forest exploitation or timber processing activity must receive a professional approval according to rules and regulations in force.

Administration of Forest Resources must notify to the applicant the acceptance or explanatory rejection of the approval demand within a period of 3 months from the date of the file submission.

Beyond this period, the applicant has to contact the Administration of Forest Resources which has to give a response within 15 days.

Beyond this period, no response automatically induces acceptance of the demand.

In order to insure the industrial nature of the forest exploitation operation, a specific committee has been created, the Committee for the Wood Sector Industrialisation.

This Committee must assess all demands of logging permit except PGG.

The composition and the functioning of this Committee follow rules and regulations in force.

*** Conditions of CFAD allocations**

Any CFAD demand is sent to the Minister of Water and Forest Resources.

The allocation procedure is organized into the following steps:

- obtaining an exploration authorization,
- signing a provisory agreement for management - exploitation - processing (= *Convention Provisoire d'Aménagement – Exploitation – Transformation* = CPAET),
- supplying of the CFAD agreement from the Minister of Water and Forest Resources,
- signing the decree of CFAD allocation by the Prime Minister.

If several demands are submitted for the same area, exploration results are used to decide between the applicants after assessment by the Administration of Forest Resources.

Exploration authorization is supplied by the Forest Services. Its period of validity can be higher than 12 months from the date of signature.

When exploration authorization is no more valid, the recipient submit both the project of provisory agreement for management - exploitation - processing (= CPAET) and the results of exploration inventory to the Department of Water and Forest Resources.

Administration of Forest Resources must approve or reject the project within 3 months.

In case of rejection, decision must be explained.

Beyond this period, if no response from the Administration of Forest Resources, the project is accepted.

The convention is attributed for 3 years at the most. In the corresponding area, it allows to carry out various operations related to the elaboration of management and industrialisation plans, according to the specifications mentioned in the convention.

After this period, the recipient submits a CFAD demand and the associated management plan and industrialisation plan to the Minister of Water and Forest Resources.

The file is submitted to the Committee for the Wood Sector Industrialisation which gives an explanatory recommendation then must forward it to the Minister within two months.

From this recommendation, the Minister of Water and Forest Resources must send a notification to the applicant within 1 month.

If accepted, the CFAD is definitively allocated from a Prime Minister decree.

*** Conditions of PFA allocations**

The demand of PFA submitted to the Minister of Water and Forest Resources is examined according to the rules and regulations in force.

If accepted, the PFA is definitively allocated from Minister of Water and Forest Resources order.

In case of rejection, decision must be explained.

In every case, PFA exploitation is subject to exploitation authorization supplied by the Head of the Provincial Inspectorate of the Forests as defined in the general specifications for timber exploitation.

*** Conditions of PGG allocations**

PGG demand is submitted to the Provincial Inspectorate of the Forests and examined according to the rules and regulations in force.

243 – Main general specifications for exploitation of timber forests

CFAD and PFA exploitation are submitted to general specifications and special conditions peculiar to each logging permit.

These special conditions are written down in the conditions of contract.

The area of each logging permit is well delimited using boundary stones and open tracks.

All delimitation and boundary marking operations are made by Administration of Forest Resources or by a registered service provider paid by the permit recipient.

The yearly logging base are delimited by the recipient in the forests before the submission of the Yearly Operation Plan.

In order to protect future trees and stocked trees during logging operations and wood extraction, the recipient under the control of the Administration of Forest Resources must mark any tree to be logged or protected.

Logging permits allow logging trees with a diameter higher than the Minimum Exploitable Diameter (MED) defined in the management plan for each Management Forestry Unit.

Logging concerns all marketable species, except protected species of general interest in the limits mentioned in the management documents of the forestry unit.

For the strict exploitation needs, loggers can remove all the necessary trees in order to build tracks and extraction ways, logs yards, forest camps, technical settlements for logging, and processing units.

All the stumps are put along the logging site in order to be later controlled.

Each recipient must have his own mark, which is registered by the Administration of Forest Resources.

In case of tenant farming, the tenant farmer must use the mark of the logging permit recipient.

Each logged tree must have the mark of the logging permit recipient as well as an identification code put on the stump and on the ends of the logs.

Each log is separately identified.

For each logging site, each logger must bring up to date a logging book with all information concerning the number and characteristics of the logged trees as well as mentions about trees broken during logging or having defects making them unusable for commercial purpose.

The logging book is verified and signed by the Head of the Provincial Inspectorate of Forests. It must be presented at the demand of any forest officer who signs it below the last inscription.

25 – Forest products marketing

Forest products marketing is subjected to the following obligations:

- prior exploitation authorization,
- control and receipt of the woods in accordance with the rules and regulations in force,
- logger mark assessment,
- all statistics and figures sent to the concerned administration,
- payment of all taxes and fees.

Forest products marketing is free throughout the country except for Okoume and Ozigo which come under State monopoly.

However, if necessary, the Gabonese State can extend this monopoly to other forest products.

Marketing of raw or processed forest products is subjected to grading rules and standardisation approved by the Gabonese government.

Control, grading, standardisation procedures are defined in the rules and regulations in force.

Except for Gabonese operators, all the other registered operators are subjected to production quotas.

Depending on market variations and in the limits of the management plan, the Minister of Water and Forest Resources sets the maximum production level for Okoume, Ozigo and other species.

Each month, bodies in charge of the forest products marketing must establish commercial statistics for exported forest products and to put these data at the disposal of the Administration of Forest Resources.

26 - Social, financial and economic measures

Allocation, ownership, renewal, exchange and transfer of any logging permit, sawing operation with the help of chain saw, marketing and export of logs or non wood products are subjected to the following tax or fees:

- logging tax,
- surface tax,
- renewal tax,
- transfer tax,
- chain-sawing tax,
- export tax and fees,
- tenant farming tax,
- progressive tax for logs export over quota
- specific plantation fees,
- forest costs.

The finance act fix the base and the rate of the previously listed tax, fees and rights.

When the Administration of Forest Resources carries out the management plan of a CFAD, the recipients must pay the costs of the works to the State.

27 – Present situation of the logging permits and sustainable management plans

The permits recipients can be presently divided up into 5 groups according to their level of involvement in the sustainable management process:

- a first group is made up of 7 CFAD covering a total surface of 2.2 millions hectares held by important forestry companies;
- a second group concerns 7 units covering a total surface of 1.6 millions hectares; the recipients of these permits have signed CPAET and must submit management plan and industrialisation plan to Administration of Forest Resources within 3 years;
- a third group is made up of 2 units covering a total surface of 0.7 million hectares for which a CPAET has been signed for more than 3 years and who have not submitted management and industrialisation plans yet;
- a fourth group is made up of 10 units covering a total surface of around 2.3 millions hectares and concerns permits holders who have started a CPAET demand approach;
- a fifth group meets all the permits recipients for a total surface of 4 millions hectares; presently, they have not initiated any sustainable management approach; they are mainly Gabonese operators who have not presently financial help for forest management.

The following tables summarized the situation in Gabon at the middle of 2003 by comparison with the other Central Africa countries:

Area of forest concessions (situation middle of 2003)

Country	Area Dense humid Forest	Area of forest concessions	
Gabon	17,000,000 ha	12,000,000 ha	71%
Congo	13,000,000 ha	10,000,000 ha	77%
Dem. Rep. of Congo	90,000,000 ha	22,000,000 ha	24%
Cameroon	12,000,000 ha	5,000,000 ha	42%
Equatorial Guinea	1,500,000 ha	1,400,000 ha	93%
Central African Republic	3,500,000 ha	3,000,000 ha	86%
Total Sub-Region	137,000,000 ha	53,400,000 ha	39%

Source: FRM, Montpellier

**Forest concessions involved in a sustainable management process
(situation middle of 2003)**

Country	Area of Forest Concessions	Forest Concessions involved in a sustainable management process	
Gabon	12,000,000 ha	6,500,000 ha	54%
Congo	10,000,000 ha	5,500,000 ha	55%
Dem. Rep. Of Congo(1)	22,000,000 ha	0 ha	0%
Cameroon	5,000,000 ha	(2,000,000 ha) (2)	(40%)
Equatorial Guinea	1,400,000 ha	55,000 ha	4%
Central African Republic	3,000,000 ha	1,500,000 ha	50%
Total Sub-Region	53,400,000 ha	15,555,000 ha	27%

(1) First operations under discussions

(2) To be provided

3 PROCUREMENT CODES

The last version of the procurement codes of Gabon is dated December, 18th, 2002. It includes 131 articles organized into eight titles, each of them including two to four chapters. It is published and distributed by the Direction of Official Publications.

The titles around which is structured the documents are the following:

Title 1: General dispositions: i) matter of application scope and definitions, ii) persons in charge of the preparation of the public markets, iii) applicants.

Title 2: Markets submission: i) ways of market submission, ii) particular measures related to public services delegation, iii) particular measures related to intellectual services markets, iii) e-procedures.

Title 3: Markets conclusion, approval and notification: i) conclusion and approval, ii) notification.

Title 4: Implementation of the public markets: i) general dispositions, ii) guarantees, iii) Modifications of on-going agreements, iii) termination and postponement of public markets.

Title 5: Public market payment: i) advance, ii) down payment, iii) payment regulation, iii) deed of security for debts coming from public markets.

Title 6: Appeals: i) appeals related to decisions concerning public markets procurement, ii) appeals during markets implementation

Title 7: Control of the public markets: i) signing control, ii) control of implementation, acceptance and/or delivery.

Title 8: Penalties related to offences against public markets rules: i) penalties against officers, ii) penalties against market tenderers or holders.

The most relevant information of the codes in accordance with the subject is below detailed.

31 - General dispositions

311 - Matter of application scope and definitions

The codes define the rules applicable to signing, approval, implementation and control of public markets. These rules are based on the principles of free access to state commission, equal treatment of the applicants, and transparency for procurement procedures.

Public markets are written agreements for works implementation, equipments supplying, provision of services and public service delegation by state, local authorities, public corporation, state companies and those in the same category.

Some services are out of the application scope of the codes when:

- value is lower than thirty millions (30,000,000) CFA francs for states and public corporation markets,
- value is lower than ten millions (10,000,000) CFA francs for local authorities markets.

These two types of services are signed using only invoices.

Similarly, markets financed by other funds than the ones provided by state are subjected to the same procurement code measures subject to accordance with financing agreement clauses.

According to the procurement codes, companies are considered as grouped when they have signed a single market.

The administrative conditions of contract must precise whether the companies are linked or jointly liable, and can plan separated or direct payments.

* Grouped companies are jointly liable when each of them is involved for the whole market and must compensate any default for its partners.

One of them, the Leader, must be designated in the administrative conditions of contract as proxy and must represent all the companies towards the person responsible of the good market implementation.

* Grouped companies are linked when each of them is involved into one or several allocated shares (considering that works are divided into shares, each of them being allocated to one the companies).

One of them, the Leader, must be designated in the administrative conditions of contract as proxy. It is behind each of the other companies for all the contract obligations towards the person responsible of the good market implementation.

It must coordinate the enterprises works and take in charge the scheduling and management tasks.

312 - Persons responsible of the preparation of the public markets

The markets contents are prepared by services, authorities and organizations, which have the competence to manage the funds allocated for the corresponding expenses.

The contracting authority designates the “person responsible of the markets” through regulations.

A Tender Assessment Commission (or Invitation to Tender Bureau) helps the person responsible of the market. The composition of the commission depends on the type of market:

- State market,
- Local authorities market,
- Public corporation market

Several state services can constitute groups so as to launch public orders.

313 – Applicants

* Certain persons or companies cannot receive orders and subcontracting works from the state, the local authorities, and the public corporations:

- artificial or natural person with on-going compulsory liquidation and natural person in registered bankruptcy,
- any artificial or natural person convicted of a breach of the penal code or tax code involving such a ban,

- any company temporarily excluded from any market signing by explanatory decision from the Public Market General Direction (exclusion caused by previous submission of wrong information or by serious dereliction of contract responsibilities),
- all companies in which the person responsible of the markets or the Tender Assessment Commission, have personal interests,
- companies in connection with the consultants which have prepared all or part of the invitations to tender or consulting documents.

* Whatever the signing procedure used, each applicant for any market must justify its legal, technical and financial abilities. He must equally justify that he has paid all his fiscal and parafiscal taxes before market signature.

* To be authorized to take part into any public market of works, public works and construction companies must bring a skills certificate.

This certificate is supplied by the General Direction of Public Markets which is in charge of the qualification of the public works and construction companies.

32 – Markets submission

321 - General dispositions

Markets can be submitted either from open or restricted invitation to tender (or according two steps), or from suppliers consulting with request of price offer.

Otherwise, intellectual service markets are submitted after consulting and proposals handing.

However, markets can be exceptionally submitted from direct arrangement when the General Direction of the Public Markets gives prior and formal agreement.

322 – Publicity

A public invitation to tender according to a model fixed by the General Direction of the Public Markets is published before each market submitted from invitation to tender.

Each market or contract allocation is made public as soon as the recipient has been chosen, except for:

- allocations made from suppliers consulting,
- allocations lower than 20 millions CFA for markets from state or public corporations, and lower than 5 millions for markets from local authorities.

The way of publicity for the allocation is the same that the one that has been eventually used to publish invitation to tender, offer or proposal.

323 – Markets from invitations to tender

Invitation to tender is the procedure according to which contracting authority choose to evaluate the offer assessed as the cheaper, without negotiation, on the base of criterion the applicants have been informed about, according to the following conditions:

- the skill of the applicant who proposes the cheaper tender is examined independently of his tender content, from the professional and technical guarantees he supplied and from his financial situation,
- if offers evaluation is not based only on price but also on other criterion as application costs, implementation period, payment schedule, these criterion must be listed for the applicants in the invitation to tender file, and expressed in money terms,
- the invitation to tender file includes: the invitation to tender rules, the general and special administrative and technical conditions of contract, and the forms.

The invitation to tender can be open or restricted

The invitation to tender is open when an applicant having the requested conditions can submit a shortlist demand or an offer.

Shortlist can be organized before the invitation to tender.

*** *Direct invitation to tender***

The open invitation to tender notice is always publicly advised by the way of a publication in a national newspaper, a specialized journal on public markets, and, eventually, by billposting or e-advertisement.

The receipt time is always over 30 days from the invitation to tender notice day.

The offers can be sent by public or private mail. The letters must be kept sealed until the opening time.

The offers opening session is organized at the final date fixed for the submission of the offers. The person responsible of the markets opens the letters, which contains the offers, eventually in the presence of any applicant (or any representative of them) who would like it.

The name of each applicant, the value of each offer, and eventually the value of the proposed discounts are read out loud; the presence or absence of offers guarantees is also announced.

These information are written down in the minutes of the opening session which is countersigned by all those present, then published by the person responsible of the markets. These minutes are later given to all the participants.

Person responsible of the market assesses the offers with the help of the Tender Assessment Commission or any expert chosen. This person eliminates all the offers which don't comply with market object and, after detailed assessment, select the cheaper offer.

Offers with variants with regard to the market specifications are taken into consideration according to the requirements of the invitation to tender file.

As soon as the final offer is selected the person responsible of the market inform all the other applicants about the rejection of their offers.

Except validity times of the offers as mentioned in the invitation to tender file, any applicant who submitted the cheaper offer can withdraw his offer without any risk of penalty.

The person responsible of the market gives to any applicant the reasons why his offer has been rejected, the value of the selected offer and the name of the recipient within 10 days from receipt of his written demand.

The person responsible of the market can stop the invitation to tender process if no acceptable offers is received. In that case, the invitation of tender is considered as unsuccessful and each applicant is informed about this situation.

Hence, either new invitation to tender or market procurement by direct arrangement is organized.

*** 2-steps invitation to tender**

Markets can be organized according to a 2-steps procedure when they are too much complicated or when the person responsible of the market want to select offers on the base of performance criterion instead of from detailed technical specifications. If necessary, a shortlist step is organized before the 2-steps invitation to tender.

Firstly, applicants can submit technical proposals without any price information on the base of performance standards or general principles of conception, subject to further technical or commercial precisions or adjustments.

During the second step, applicants can submit their definitive technical proposals with prices in relation with invitations to tender files previously revised by the person in charge of the market.

*** Open invitation for tender with shortlist**

When works and equipments are important or complex to supply or perform, shortlist is organized before open invitation to tender;

Applicant's skills are exclusively examined with regard to their ability to satisfactorily implement the market and according to the following criterion:

- references concerning similar markets,
- workforce, facilities and equipments available for the implementation of the market, and financial status.

Shortlist notification is published in the same conditions than for invitation to tender.

The shortlist file includes:

- information related to the concerned works and equipments,
- precise definition of the needed requirements for shortlist,
- period of time in which shortlist results will be known by the applicants.

The person responsible of the market examines the files and selects all the applicants who meet the required conditions.

*** Markets dividing**

Works, equipments and services can be shared with distinct corresponding markets when such a procedure is likely to present technical and financial advantages.

The invitation to tender rules define:

- the numbers, the type and the size of the shares,
- the necessary conditions to submit a proposal for one or several shares,
- the procurement terms.

These rules also mention that the person in charge of the market will allocate the markets taking into account the cheaper combination.

The applicants must submit a specific offer for each share.

If markets concerning one or several shares haven't been allocated, the person responsible of the market can launch a new procedure after possible modification of the share contents.

*** Particular advantages**

As mentioned in the regulations in force, the procurer can give preference right to some Gabonese companies in the framework of markets procurement.

To benefit of this preference treatment, these companies must have turnover less than or equal to fifty millions (50,000,000) CFA francs and legal, technical, financial, fiscal and employment capacities.

*** Abnormally cheap tenders**

Procurer can reject any abnormally cheap tender, provided the applicant was demanded to give documentary evidence and this evidence is not acceptable.

*** Restricted invitation to tender**

An invitation to tender is "restricted" when tenders come from applicants directly consulted by the procurer.

Restricted invitations to tender can be issued if the projected value of the market is lower than two hundred and fifty millions (250,000,000) CFA francs or when only a small number of companies (previously identified) is able to supply the requested equipments and services.

Only shortlisted applicants can submit tenders. The procurer makes the shortlist taking into account the particular abilities of the applicants.

Then, procedure is the same than for an open invitation to tender.

324 – Suppliers consulting

When the value of the order is lower than forty millions CFA francs for State or public corporation market, and lower than 10 millions CFA francs for local authority market, some market can be signed after suppliers consulting.

A suppliers consulting involves comparing tenders from at least three suppliers. Invitation to tender mentions all the components to be taken into account to constitute the tender value.

The market is attributed to the cheaper tender.

325 – Direct arrangement procedure

Markets can be exceptionally signed from direct arrangement procedure, subject to prior and express agreement of the General Direction of the Markets, when the procurer begins necessary negotiations, without formalities, and allocate the market to a pre-identified market.

Markets procurement with direct arrangement is only possible in the following cases:

- after invitation to tender for works, equipments or services, no tender has been received or received tenders are not acceptable,
- as a matter of great urgency due to inefficient supplier or company, the contracting authority must have the works, equipments or services implemented, or when there is not enough time to launch an invitation to tender with competition,
- works, equipments or services can be only supplied or implemented needing patent, licences, or exclusive rights belonging to one company or one supplier.

Such markets can be only signed with companies, suppliers or service provider who accept specific price control during works implementation.

All details concerning the obligations of the recipient of the market are given into the administrative specifications, in particular:

- obligation to submit balance sheet, trading account, management accounting or, failing that, any document enabling to calculate cost price.

326 – “e-procedures”

Any information exchange related to public markets according to these procurement codes can be done by e-way, subject to rules and regulations in force.

Any invitation to tender and related documentation can be sent to applicants by e-mail.

33 – Markets conclusion, approval and notification

331 – Conclusion and approval

When the market is approved, the contracting authority finalizes it in order to implement the following steps:

- signature by the company, the supplier or the service provider,
- final conclusion at an internal level,
- control by the General Direction of the Budget and the General Direction of Financial Control,
- approval by the competent authority:
 - o the General Direction of the Markets for equipments or study markets having a value lower than 500 millions CFA francs,
 - o the National Committee of the Markets for works, equipments or study markets having a value higher than 500 millions CFA francs.

332 – Notification

After all the necessary formalities, the contracting authority gives the notification to the recipient.

In a practical point of view, two copies of the market are given to the recipient against receipt or send by registered mail with acknowledgement of receipt.

The notification date is the receipt date or the acknowledgement of receipt date.

The market takes effect from this date.

Unless otherwise conditions, the implementation period of a market starts from the notification date.

This date must be written on all the copies of the markets (copies of the recipient or copies of the contracting authority).

34 - Implementation of the public markets

341 – Form of the markets

The markets must mention:

- contracting parties identification,
- documentary evidence of the position of the market signatory,
- definition of the market issue,
- references to the articles of the procurement codes,
- list by order of priority of the market documents,
- value and calculation method of the value,
- implementation period or date of completion,
- receipt conditions of the services and eventuality delivery conditions,
- payment conditions,
- termination conditions,
- date of the market notification,
- public accountant in charge of the payment and budget account,
- bank domiciliation to make the payments.

342 – Markets contents and issues

The works, equipments and services to be implemented in the framework of the market must only and exclusively meet the needs corresponding to the market. The procurer must determine as precisely as possible the market specifications before any invitation to tender, any consulting or negotiation.

The works, equipments and services are defined in reference to applicable national and international standards, which must be mentioned in the technical specifications.

Two types of markets can be only launched in connection with operating expenses and need the Department of Public Markets consulting beforehand:

- the "ordered markets" which only set the minimum and maximum of works to be implemented during a certain period,
- the "customer markets" for which the procurer undertakes to entrust a supplier or a contractor with all or part of works, equipments or services according to orders to be placed as and when it needs it, for a period of time lower than 3 years.

342 – Prices of the markets

The prices of the markets must cover all expenses induced by the works, equipments or services, in particular tax and fees, except when they are excluded of the price of the market in accordance with the terms of the contract.

The prices must include the profit of the applicant.

The prices of the works, equipments or services are either unit prices applied to the actual delivered or implemented quantities, or all-inclusive prices, or a combination of these two systems.

The markets may include works, equipments or services paid on the basis of the expenses of the contractor, supplier or service provider. This value is increased by fees or modified by a coefficient calculated to cover overheads, tax, fees and profit margin.

They must mention all the necessary elements to determine the amount of the payment.

Markets paid on the basis of controlled expenses must be exceptional and be only concluded with contractors or suppliers having a detailed management accounting, which allows to calculate cost prices.

Markets are concluded on the basis of set prices only when the predictable evolution of economic conditions will not induce too much important risks for the recipient and the contracting authority.

Price is revisable when it can be modified during services implementation according to specific conditions mentioned in the administrative specifications in accordance with national or international price index.

This type of administrative specification related to price revision is not systematic: set prices system must be adopted as often as possible.

In particular, set price are systematically applied for works, equipments and services markets the duration of which is lower than 6 months.

However, any recipient can renegotiate a set price market when the duration between the price submission and the notification for starting market implementation is higher than 6 months.

If the recipient doesn't begin the renegotiation process before the notification for starting market implementation, this notification irrevocably commit him.

343 – Conditions of contract

The conditions of contract define the conditions of markets implementation. They include general documents and special documents.

The general documents are the general administrative specifications, which give administrative measures to be applied to a whole category of markets, and general technical specifications, which give technical measures to be applied to all the same types of services.

The special documents are the special administrative specifications, which give administrative measures to be applied to a specific market, and special technical specifications, which give the necessary technical measures for services implementation according to market content.

The special documents include information about related general documents, which are completed or modified.

The General Direction of Public Markets establishes the general administrative specifications. The Technical Services of the concerned Ministries establish the general technical specifications, which are approved by the General Direction of Markets.

The general administrative specifications mention that contractor and sub-contractors undertake to respect the labour code measures in force in Gabon.

344 - Termination and postponement of public markets

* Publics markets can be terminated according to the terms of the conditions of contract:

- either on procurer initiative due to an error of the recipient or due to the liquidation of his company,
- or on recipient initiative due to non-payment or due to postponement (see below)
- or on both contacting parties initiative.

Any public market is terminated without consultation when case of force majeure makes implementation impossible.

Except for the previous cases of termination, the recipient has the right to receive a termination basic allowance calculated on the basis of the services which remain to be implemented.

The principle of allowance calculation is given in the general administrative specifications for each type of market.

* The contracting authority can demand postponement of works, equipment supplying and services before completion.

When the contracting authority orders postponement of market implementation for a 2 months duration, the recipient has the right to terminate the market.

The same goes in case of successive postponements for a total duration higher than three months.

In case of postponement, the recipient must receive compensation covering the whole expenses caused by the postponement.

35 – Appeals

351 – Appeals against the decision of public market procurement

* Any evicted applicant can lodge a written appeal to the appropriate hierarchical authority.

This appeal can concern the decision to allocate or not allocate the market, or the market signing process engaged by the procurer.

Under pain of being declared null and void, this appeal must be lodged within the 5 working days following the notification of procurement decision.

If the hierarchical appeal is not conclusive within the 5 working days, the claimant must use all the possible out-of-court appeal process before any jurisdictional appeal.

The Committee for Dispute Settlement is settled to the General Direction of Public Markets. This Committee is made up of six members designated for four years.

The Committee pronounces his decision within 15 working days. The definitive market procurement is adjourned during this period.

The decision of the Committee concerning final procurement is immediately executable by the procurer.

352 – Appeals during markets implementation

Any public market recipient must contact the procurer for any dispute settlement occurring during the market implementation.

If this submission of a case before the court is fruitless, he must refer to the Committee for Dispute Settlement settled in the General Direction of the Public Markets.

Any dispute, which is not settled within the 10 working days following the submission of the amicable appeal, will be settled according the rules and regulations in force.

36 - Control of the Public Markets

361 – Signing control

The contracting authority must receive prior and formal notice from the General Direction of the Markets before signing any market by direct arrangement, suppliers consulting or restricted invitation to tender.

The General Direction of the Markets must give the prior notice within 15 working days.

The General Direction of the Public Markets studies the shortlist files and the invitation to tender files before the beginning of the invitation to compete.

The General Direction of the Public Markets must give his opinion within 15 working days on the possible modification to bring to the files.

Without response within these 15 days, the file is considered as approved and the contracting authority can launch the invitation to compete.

For markets from open or restricted invitation to tender, shortlists or consulting, the Tenders Assessment Committee assess and analyses all the tenders, offers, and shortlist files.

The Committee send a report of analyse to the General Direction of the Markets for approval or recommendation.

In the case of works or equipment supplying markets lower than five hundred millions (500,000,000) CFA francs, the General Direction of the Markets must give a notice within the 15 working days following the report receipt.

Without any notice after this period, the report is considered as approved.

If the contracting authority doesn't accept the possible recommendations from the General Direction of the Markets, the National Markets Committee must take a decision about the market procurement.

In the case of works or equipment supplying markets higher than five hundred millions (500,000,000) CFA francs, the General Direction of the Public Markets send the report to the National Markets Committee as well as a complementary detailed report.

The National Markets Committee must give a notice within 15 working days.

If no notice is given after this period, reports are considered as accepted.

362 - Control of implementation, acceptance and/or delivery

Any public market must be overseen, controlled and monitored in a technical, administrative and financial point of view.

These tasks are in charge of both contracting authority and the General Direction of the Public Markets.

The different conditions of contracts define the procedure for all these tasks to be applied to public market implementation.

37 – Procurement codes and origin of timber

The procurement codes of Gabon directly stemmed from the similar French document.

Hence, all the terms of these codes, the successive steps of the procurement procedure, the general dispositions, the submission process from invitation to tender to market procurement can be considered as well suited.

The role and the functions of the different authorities involved in the procurement process are well defined, and all the possible type of public market have been taken into account as well as the procedure to organize them.

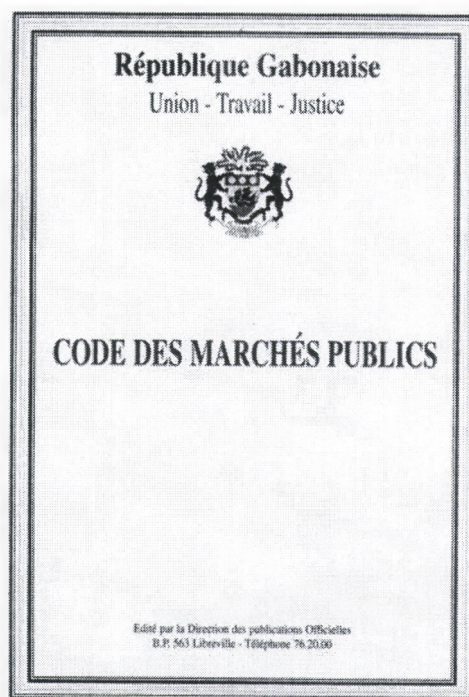
However, these procurement codes present a wide gap concerning the origin of timber used in public financed contracts and possible related illegal supplying.

The words “timber”, “wood” or “forest products” don’t appear anywhere in the text and such level of detail is completely absent from the codes.

All has to be done in this way and all possible restrictions concerning origin of timber have to be added into these codes.

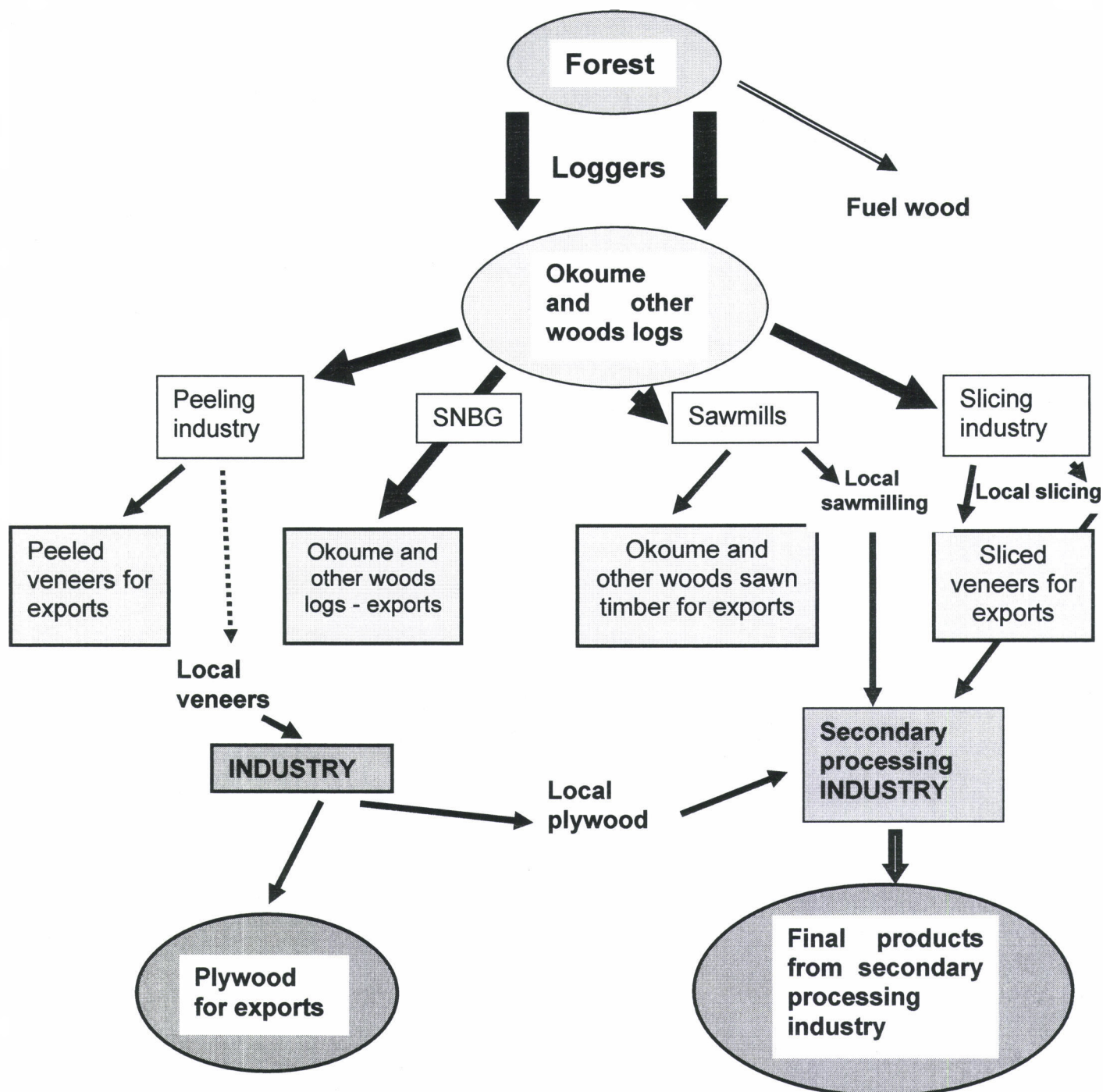
Suggestions are given in chapter 1.7 *Recommendations*.

Procurement codes of Gabon (edition 2002)



4 – FOREST PRODUCTS FLOWS

In Gabon, the forest products flows from forest to exports or secondary processing operations can be represented according to the following chart:



Forest production is usually divided up in two types of species : Okoume (70% of the Gabon production) and other species commonly called "miscellaneous species".

Logs are directed toward four types of destinations:

- rotary peeling industry,

- exports through (or not) SNBG,
- sawmills for sawn wood production,
- slicing industry (only one slicing factory in the outskirts of Libreville).

As it will be explained in the chapter 5, official steps can be mainly avoided at the level of local sawmilling, which supplies all the secondary processing informal sector.

This sector is limited to some activities as interior-exterior joinery manufacturing or construction.

In the building sector, structural timber is produced from local products, while imported products are in great demand for furniture.

Furniture manufacturing is nearly absent of the Gabonese secondary processing sector. Nearly all furniture is imported from France or other European countries.

5 – THE INFORMAL SECTOR

51 – General considerations

The informal sector is well developed in Gabon as in all countries of the region and in developing countries in general.

A wide range of activities and a multiplicity of jobs characterize the urban informal sector.

However, this diversity in Gabon is less pronounced than in other African countries. The number of these jobs and activities is around 60 at the most.

In 1983, the Direction of Human Resources Planning (= *Direction de la Planification des Ressources Humaines* = DPRH) has listed 15 commercial activities, 5 transport activities, and 32 craft activities including production activities, construction and public works, services and fishing.

Unfortunately, these studies are not new and there have not been updated. However, they give a reliable and relevant idea of the Gabonese situation.

They show that the urban informal sector mainly concerns commercial activities. For commercial activities and transport, informal sector is the main employer in the country with 59% of the employment.

Moreover, food marketing is the first one with 66%, then transports (15% of the units), then production craft and services.

The following table shows the predominance of commercial activities, in term of number of units as well as for employment.

Commercial, service and craft informal activities in the 6 mains urban areas of Gabon (relative and absolute values)

	Units	%	Number of workers	%	Number of workers per unit
Commercial activity	9,806	66.2	15,346	65.4	1.56
Transport	2,228	15.0	2,493	10.6	1.12
Total Service sector	12,034	81.2	17,839	76.0	1.48
Craft	2,780	18.8	5,630	24.0	2.03
TOTAL	14,814	100.0	23,469	100.0	1.58

Source: Bilan emploi SNS, DPRH 1983, p.92. *Elaboration:* BIT.

According to the Energy Information Association, “Gabon’s informal sector has grown dramatically due to higher domestic prices, relatively lower salaries, and a scarcity of official, or formal—particularly public sector—employment opportunities.”

The agricultural sector employs a large part of the population informally. Informal sawing and software piracy are prevalent.

The informal wood sector concerns primary processing activities as well as secondary processing activities.

52 – An example of well-developed informal wood sector activity

Focus is worth being on primary processing activities, mainly sawing activity which is a strategic step along the wood sector because it feeds all the following operators.

Informal sawing activity develops more and more in Libreville and in its outskirts.

It is necessary to remind that one third of the total population of the country is living in Libreville

Due to the increasing demand of the local population in construction material and fuel wood, informal wood sector in Libreville has become very serious and the total quantity of wood concerned by these informal exchanges regularly increases.

The focal point concerns chain sawing activity which is in the hands of two types of operators characterized by the location of their activity: sawyers along the shore and bush sawyers.

The techniques employed by these operators are very rudimentary, chain saw being exclusively used for logs processing.

521 – Sawyers along the shore

Since the wood crisis at the beginning of 1998, small sawyers located along the shore mainly supply local wood market in Libreville and its outskirts.

Logs beached along the shore or have been carried away by Nigerian fisher. These logs come from rafts which burst when the tide came in.

The rafts belong to forest companies and were forwarded to SNBG's or SEPBG's logs yards in Owendo.

The Okoume is the main species concerned by such an activity (95%) followed by Ozigo (around 4%) then Bahia (around 1%).

According to their size, they are sold around 15,000 CFA francs per unit by the Nigerian fishers.

Logs volume is between 2.5 and 4 m³ and the recovery is lower than 40%.

Each sawyer is able to produce between 1m³ and 2 - 2.5 m³ of sawn wood per day.

All along the beaches of Owendo, Barracuda (south of Libreville), la Sablière, Cap-Estérias, around 6 sawyers per beach have been counted that represents a daily production of 40m³, i.e. the average daily production of a medium size sawmill.

Volume of production depends on season and sawing equipment. Supplying is easy during the wet season from the middle of March to the middle of June then from September to October because of higher tides and higher risks of rafts ruptures.

Standard chain saws are used corresponding to an investment of 0.5 to 2 millions CFA francs, related equipments included.

The quality of the products obtained from such operators is not bad due to high quality logs which are processed and noticeable skill of the sawyers.

522 – Bush sawyers

The activity of these operators is only located in the bush and in the forest surrounding Libreville, mainly:

- listed Mondah forest (north of Libreville, villages of Malibe I and Malibe II),
- outskirts of Cap-Esterias,
- Silane,
- Coniquet,
- Perroquet,
- ...

At the contrary of the sawyers along the shore, the bush sawyers buy the logs to Temporary Logging Permits holders or countrymen who own some timber trees. For Okoume, price of one standing tree (diameter from 0.8 to 1.2 m) is between 20,000 and 30,000 CFA francs.

Hardwoods price vary from 40,000 and 50,000 CFA francs per unit, up to 100,000 to 150,000 CFA francs for precious woods as Kevazingo or Ebony.

As for the sawyers along the shore, bush sawyers production is not negligible and due to the very important number of such operators in the vicinity of Libreville, the total volume of wood processed in this way can be compared to formal sector production.

The actual sawn wood volume produced by these operators is quite impossible to assess but it is sometime considered that it represents between one third and half of the total wood production of the country.

53 – Practical consequences of informal wood sector activities - Conclusions

The practical consequences of the informal wood processing activities have direct and various impacts at several levels and lead to ecological, financial, economic and social concerns.

* Conventional forest exploitation is performed according to very precise rules, in particular in Gabon where development of sustainable management plans leads to an important change in the forestry practices.

Informal logging doesn't meet these rules as the MED or the logging bases. Positive effect of sustainable management is weakened due to the development of such practices.

Close to the shore or near the urban areas as Libreville, Port-Gentil, the wood demand is very important and the number of operators who are tempted by informal wood processing activities is increasing.

The logging rotation in the forests which are legally and/or illegally exploited is decreasing, inducing a potential degradation of these forest reinforced by agriculture pressure.

Informal logging also leads to open new tracks and extraction ways, and hence facilitates the access inside the forest for hunters and poachers.

* On a financial point of view, informal logging and wood processing represent a noticeable loss of earnings for the State and may cause problems due to imbalance and unstable situation between the different operators involved in the wood sector.

* Negative economic aspects of informal wood sector activities must be also brought to the fore.

Logging of trees with a diameter lower than the MED, in particular for high value species as Moabi, Douka, Padouk, weaken the economic value of the forest and mortgage its economic development hence its future.

This form of unfair competition penalizes some registered companies and consequently their development or their existence can become in a tricky position.

Employment and domestic incomes for salaried employees in registered companies may be endangered.

Gabon is rather a sparsely populated country that is why it has not really suffered from deforestation.

Even if an important part of the population is located in a few number of urban areas as Libreville, Port-Gentil, then Franceville, at the level of which the wood demand is important, the total national wood demand stay relatively weak.

However, informal wood sector has expanded and supply a large part of the domestic consumption.

For instance, forest companies presently develop Okoume sawn wood production for exports and this species, under this massive wood form, is nearly considered as a new species to be promoted.

Such an attempt of development is linked to the need to give higher value to secondary quality logs: all the first qualities are used for rotary peeling (or slicing) at a local level or export as veneer logs.

However, Okoume solid wood has been widely used in the country for local light construction for decades. A large part of this wood comes from informal sector.

Informal wood sector is growing due to a vicious circle phenomenon: forest companies which have processing units, mainly sawmills and rarely secondary processing units, consider that there is no local market in Gabon.

In one hand, they consequently focus all their efforts to exports production with all the negative effect such an orientation involves, in particular low recovery.

In the other hand, local demand considers that these companies cannot meets its needs and turn to informal sector.

6 – CONCLUSIONS

61 – Gabon, a forested country

Gabon is above all a forested country, with 85% dense forest cover, where the human pressure on the land is very limited.

The forest sector is the second largest source of income that the State earns from its natural resources, and it is the largest employer.

A few years ago the Government launched an ambitious policy of sustainable forest management in the forest concessions, placing Gabon at the forefront in Central Africa.

The new forestry legislation has in fact been in place since 1996.

Law n° 016/01, containing the forestry regulations, was promulgated on the 31st December 2001. It conveys the adherence of the Government of Gabon to various resolutions and international conventions on sustainable forest management.

62 – Gabon particularity: Okoume production

Gabon has the particularity to be almost the only supplier of one species, Okoume, which is a fast-growing species very abundant in the major part of the country (around 70% of the production).

Okoume is a pioneer species, which has an ability to rapidly and easily colonize open areas: fallow farm lands, open spaces in forests, and savannah edges protected against fire. It easily regenerates in logging yards. Okoume is consequently a sustainable timber species in its main production areas.

Trees grow either densely or in clumps as well as it has population distribution of same age. This species is gregarious and has a social behaviour.

In addition to the low demography of the country, Okoume stands are not endangered by deforestation. It can partially explained that Gabon has one of the lowest deforestation ratio in Africa (0.1% per year).

63 – Sustainable management is boosted

The two major concerns of the forestry regulations are the management of forests and an accelerated industrialisation of the timber sector.

It creates a favourable legal framework, by assuring access to the resource over the long term which is essential for the necessary investments for on site processing.

This evolution of context, combined with recent technical progress in management of tropical forests, have made the most important private operators in the sector, engage in sustainable forest management of their concessions.

About 6.8 million hectares of forests should move progressively towards sustainable management from now until 2005 and Gabon can congratulate itself for this result.

64 – Illegal logging and public markets

The law No. 16/01 of 31st December 2001 anticipated two new types of area permit in place of those existing, conveying their vocation to be managed: the Forest Concession under Sustainable Management, with an area of between 50,000 and 200,000 ha and the Associated Forest Permit, reserved for nationals, and limited to 15,000 ha if integrated into a CFAD, and to 50,000ha if it incorporates a management and industrialisation entity.

Therefore, any logging activity outside this framework should be considered as illegal logging, and it is considered as such when some NGOs consider that *at least 70% of logging in Gabon can be described as illegal*.

However, before being operational, sustainable management plans need a long procedure of construction, implementation and validation.

Furthermore, the new forestry regulations have been the object of a long period of preparation, which has not been used to its full potential to reorientate the assignment of permits.

On the contrary, the 'classic' demand has increased, complicating the situation for a generalisation of the management.

The real level of illegal logging is very difficult to estimate, in particular in Gabon because of the important role of informal sector which is spanning both legal and illegal logging.

Due to the very low consumption of wood in the public markets and their slowing down since 2 or 3 years, it is certain that public works haven't any significant influence on illegal logging, whatever its level is in Gabon.

Domestic market may represent an important outlet for illegal timber but the share of the role of public market can be considered as negligible.

As a first recommendation, development of wood utilization (from legal sources) and wider range of timber species in the public market should be widely encouraged.

Some initiatives have been ever taken in this way by the past, but too much often without monitoring and follow-up.

Public markets should constitute a showcase in particular to bring to the fore the real possibilities of application development of lesser-known species, an other major issue for Gabon.

65 - Exports trends and hazards

Gabonese forestry and wood sector is directly dependant on exports, mainly logs and more and more sawn woods.

Wood production and exports from Gabon fell sharply during 2002 in response to fiscal uncertainty, slowing global demand, and a fall in purchasing by SNBG, the state controlled organisation that has a monopoly in Okoume marketing.

Despite rising investment in domestic processing capacity, levels of production were well down on the previous year.

Three factors contributed to the decline. First, the Gabon government introduced some major fiscal changes beginning in November 2001. These included: a new surface area tax of 1000 FCFA per hectare to be applied to all forest holdings; an increase in the export tax on sawn lumber from 15% to 20%; and a change in the method of calculating the felling tax so that it now depends on exploitable forest area rather than the actual harvestable volume. Taken together, these measures significantly raised the cost of production.

In 2003, exports fell by 11% as compared to the previous year. One of the main reasons for this on-going decline is positive: the development of the domestic wood-processing industry, which is consuming ever-increasing volumes of logs.

It is difficult to quantify the exact volume of logs entering Gabonese mills and therefore, annual timber transformation. However, production of sawn and/or peeled timber is estimated to be in the region of 500,000m³, which is roughly equal to one quarter of total production.

The other reasons for the decline in log exports are a generally weak (although improving) international market for tropical logs and the strength of the euro against the dollar. As the CFA franc is aligned to the euro, this has undermined the competitive position of Gabon forest products.

Okoume logs accounted for 64% of exports in 2003, and 66% of all Okoume logs were sent to China. However, Chinese consumption of Okoume has been in decline at the end of 2004 and this has had a significant impact on Gabon's forest products sector. Gabon's dependency upon China as an export market is very significant and for a country in which the forest products sector is the second largest employer after the state, reliable export markets are all important.

7 - RECOMMENDATIONS

71 – Sustainable management for the small forestry concessions

The social and environmental work undertaken by the major enterprises will only be able to resolve a part of the problem of 'sustainable development' if States, helped by donors, do not succeed in resolving the problem of the small concessions who more and more are 'eroding away' tropical forests. This problem is essential in Gabon.

The new forestry regulations base all their prescriptions on forest management and industrialisation on experiences learned in large concessions which allow for the principle of long rotation periods in the order of 20 to 30 years, and who, in addition have considerable means available.

The regulations do not anticipate flexibility or any accompanying measures in the application of the law to the fundamentally different case of Small and Medium Sized Forest Enterprises (SMFE) who exploit concessions of a small size. These types of permits represent 5 to 6 million hectares. The contribution of the SMFE to the forest sector economy is far from being negligible: a production of 1.2 to 1.4 million cubic metres per year, i.e. between a third and a half of the national production, 80% of the enterprises and 50% of the employment.

Gabon owes itself to achieve a truly generalised management of all its forested territory, open to sustainable production, greatly reduced in several ways if one wishes to be realistic. Gabon cannot ignore an area, about equivalent to the one under good management, where the extraction of timber continues with no regard for sustainability. On the contrary, it once again proves the initiative of the sub region in integrating the majority of the actors in the management process.

The operators of the SMFE have very specific characteristics and will not stand a strict application of the obligations contained in the new forestry regulations. It is therefore essential to put in place conditions which will allow them join the management process in progress, whilst at the same time preserving economic viability and their position in markets. In addition this phase is a precondition to integrate another large constraint, which will occur in the medium term: the traceability of timber and certification.

The new forestry regulations, with a few minor adaptations, turn out to be a good framework for orientating the sector to sustainable management of small permits. It is the real political wish in its application that is generally failing. The areas, which have actually entered into their elaboration phase of the management plan have not changed and reveal a climate of stagnation which has prevailed for several months.

It is about structuring and driving a complex economic sector (multiple, and heterogeneous stakeholders, sometimes informal methods, recurring problem of forestry income...). The stakeholders could therefore be interested in entering into the management process, which will lead to a growing professionalization of the sector (further information on this matter is available in ATIBT Newsletter n°21 - 2005, paper of Cassagne B. and Chevalier J.F.).

72 - Support for sustainable forestry initiatives in Gabon and in the Congo Basin

Forest certification and environmental management systems are in stage of development in Gabon: Keurhout, wood certification system for sustainably and responsibly exploited forests, ISO 14001 standard, which specifies the actual requirements for an environmental management system.

Sustainable forest management planning is the exception rather than the rule in the Congo Basin. This reflects the grinding poverty of the people, rising population pressure, and bad governance. A variety of initiatives have been launched in recent years in an effort to improve standards of forestry.

All these initiatives must be supported so that they will not go unheeded and their common benefits will strengthen together:

* **The African Forest Law Enforcement and Governance process** was launched at a Ministerial Conference in Yaoundé, Cameroon in October 2003, which drew together ministers from Africa, Europe and North America. The Conference resulted in the endorsement of a Ministerial Declaration and Action Plan. These included a commitment to a wide range of measures designed to tackle illegal logging and other forestry enforcement measures in the region such as development of national action plans, legislative reform, capacity building, information exchange, improved monitoring, implementation of forest management plans, and co-operation between public and private sector agencies. Since then, direct AFLEG-led activity has been fairly limited.

* **The Congo Basin Forest Partnership (CBFP)** was launched initially with strong backing from the US government, but France has subsequently taken on the leadership role. CBFP brings together 29 governmental and nongovernmental organizations to improve coordination of their diverse projects. It provides an information clearing house for agencies working in the region.

* **COMIFAC: the Conference of Ministers for the Forests of Central Africa** has been performing a coordination and decision-making role for the Congo Basin forests since 2002. It has adopted a "Plan de Convergence" designed to harmonise forestry and timber regulations in the region with the aim of sustainable forest management. Sustainable forest management planning process, led by European-African industry groups, notably the Inter-African Forest Industry Association (IFIA) and the technical tropical forestry organisation ATIBT.

Currently around 15 million hectares of the 50 million hectares of forest concessions in the Congo basin are engaged in a process to develop forest management plans.

* This last process is now linked to the **Forest Concession Monitoring System for Central Africa (FORCOMS)**, a voluntary and independent system to monitor conformance with forest regulations and sustainable forest management plans.

FORCOMS was initiated jointly by the Global Forest Watch (GFW), World Resources Institute (WRI), World Conservation Union (IUCN), and IFIA.

FORCOMS is now being tested in the field in Cameroon, Gabon and Congo-Brazzaville. Already more than 35 forest enterprises have subscribed to this initiative,

while the project aims to enlarge the system of monitoring to cover a larger number of concessions over a period of 3 years.

* At least, a **Pan African Forest Certification (PAFC) Scheme** is also proposed by the private sector, linking independent forest auditing with the ATO/ITTO/CIFOR process to develop national level sustainable forestry indicators and criteria in African countries.

A national PAFC-Gabon organisation was established and institutionalized in October 2004.

This organization is destined to be the support instrument in Gabon for the recognition by the PEFC: PAFC Gabon will be the Gabonese member of the PEFCC, and its mission will be to develop the national scheme of certification in Gabon, in close relation with all the stakeholders represented in 4 schools: forest owners, professionals, social and environment.