



Project of strengthening the involvement of SMEs/SMIs in the VPA-FLEGT implementation through an improvement of their representativeness within the Interprofession of Cameroon Wood Sector.

CAPITALIZATION REPORT



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LIST OF ACRONYMS

TRP/AEB	:	Timber Removal Permit
VPA	:	Voluntary Partnership Agreement
TRP/ARB	:	Timber Recovery Permit
ATIBT	:	International Tropical Timber Technical Association
LA	:	Logging Agreement
LAS	:	Legality Assurance System
FAO	:	Food and Agriculture Organisation
FLEGT	:	Forest Law Enforcement Governance and Trade
GFBC	:	“Groupement de la Filière Bois du Cameroun”
IFFB	:	Forest-Wood Interprofessional Sector of Cameroon
MIB	:	Internal Wood Market/Domestic Timber Market
MINFOF	:	Ministry of Forestry and Wildlife
MINEPAT	:	Ministry of the Economy, Planning and Regional Development
MINPMEESA	:	Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts
NOSO	:	North-West and South-West
SME	:	Small and Medium Enterprise
SMI	:	Small and Medium Industry
PS	:	Special Permits
VAT	:	Value Added Tax
EU	:	European Union
TPU	:	Timber Processing Unit
SSV/VC	:	Sales of Standing Volume

I. INTRODUCTION



As part of the implementation of the Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade in Timber and Timber Products to the European Union (FLEGT), Cameroon has formally committed itself to ensuring the legality of timber and timber products destined for export and even domestic markets¹. Similarly, the Agreement specifies in its Annex III - A that the Legality Assurance System (LAS) applies to all sources of production or acquisition of timber and timber products in circulation within the national territory.

The 2020 MINFOF strategy for the forestry-wildlife sub-sector provides for the organization of Internal Wood Market/Domestic Timber Market (MIB) as a priority activity and this is also part of the implementation schedule of the Cameroon's VPA-FLEGT. Similarly, the implementation of national forest sector policies and strategies is inevitable through the strengthening of the effective participation of forest Small and Medium Enterprises/Industries (SMEs/SMLs) and artisanal operators who are key players in the Domestic Timber Market sector as regarding the implementation of the said Agreement in Cameroon

Thus, the project entitled « *strengthening the involvement of SMEs/SMLs in the VPA-FLEGT implementation through an improvement of their representativeness within the Interprofession of Cameroon Wood Sector* » has proposed to contribute to a better structuring of SMEs/SMLs and artisanal operators in the wood sector and therefore to strengthen their representativeness within their framework structure of concertation

¹ Cf. article 9(3) of VPA

and umbrella collaboration that is the Interprofession while promoting better access to legal timber for these SMEs/SMIs and artisanal operators.

At the end of the implementation of the above project, the objectives and expected results have been significantly achieved. To date, the Forest-Wood Interprofessional Sector of Cameroon (IFFB) operates and is in a new dynamic since the holding of the Ordinary and Extraordinary General Assemblies of August 2019. For this purpose, the Interprofession has a already headquarters located in the Messa district in Yaoundé, a post office box and a functional email address. The IFFB today is beginning to have national and international visibility.

At the international level, two (02) IFFB's delegates took part with the support of BVRIO at the forum of the International Tropical Timber Technical Association (ATIBT) held in Shanghai in October 2019. Similarly, at the national level, the IFFB is generally invited to meetings of the forestry sector in Cameroon. Among other things, it was consulted during the national review process of the VPA-FLEGT legality grids and prepared a contribution note incorporating its proposals for the review of these legality grids.

This Capitalization Report further presents the direct effects of the project and the lessons learned during its implementation.

II. PROJECT PRESENTATION

Project	Strengthening the involvement of SMEs/SMIs in the VPA-FLEGT implementation through an improvement of their representativeness within the Interprofession of Cameroon Wood Sector .
Implementing organization	Groupement de la Filière Bois du Cameroun (GFBC)
Duration	July 2018 – April 2020
Total amount (Budget)	99 365 USD
Donors	FAO-UE FLEGT Programme
Locations of the action	National
Project Partners	Ministry of Forestry and Wildlife (MINFOF), Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts (MINPMEESA), Ministry of the Economy, Planning and Regional Development (MINEPAT), International Tropical Timber Technical Association (ATIBT), FECAPROBOIS.
Overall objective	Improving private sector participation in the VPA-FLEGT process .
Specific objective	Increasing the participation of forest-based small and medium-sized enterprises/industries (SMEs/SMIs) in the timber trade in Cameroon.
Expected results	<ol style="list-style-type: none"> 1. Organizational and institutional capacities of representative structures of small and medium-sized enterprises/industries (SMEs/SMIs) are developed ; 2. The functioning of the Interprofession of wood sector is improved ; 3. Access to legal timber resources by SMEs/SMIs, in particular to waste from industrial companies, is improved through Interprofession actions ; 4. Communication, visibility and monitoring- evaluation are ensured.
Activities	<ol style="list-style-type: none"> 1. Set up the project team 2. Mapping SMEs/SMIs operating in the sector and their representation structures 3. Carry out the institutional and organizational diagnosis of the representation structures identified during the mapping, and ensure the implementation of necessary corrective actions to the selected and voluntary structures 4. Organize the validation workshop of diagnosis study findings 5. Carry out organizational and institutional capacity building of selected structures following the diagnosis 6. Define a framework for consultation with SMEs/SMIs for a better functioning of the Interprofession with the involvement of SMEs/SMIs 7. Develop the 2018/2019 roadmap of the Interprofession activities 8. Organize a GA for the review and adoption of the roadmap 9. Develop common private sector proposals for the VPA's implementation 10. Develop information and sensitization brochure/material on policy and procedures of industrial companies for legal timber supply of SME/SMI ; 11. Organize a raising awareness and training workshop of SMEs/SMIs on legal timber purchase procedures ; 12. Support SMEs and pilot industrial companies in the conclusion of timber – and derived products – purchase and sale contracts ; 13. Organize courtesy visits towards administration and Technical and Financial Partners 14. Organize the project launching event 15. Organize a debate on television 16. Organize quarterly monitoring-evaluation project meetings 17. Organize the project closing event

III. DELIVERABLES AND ACHIEVEMENTS

ACHIEVEMENTS/ SUCCESS	
AT RESULT 1 LEVEL	<ul style="list-style-type: none"> • 36 of the 55 associations (from the beginning of Interprofession) mapped. • 01 directory of SMEs and artisanal operators of the Interprofession and their representing associations has been developed and disseminated. • The institutional and organizational diagnosis, and the level of legality of the representation structures of SMEs/SMIs and artisanal operators – including corrective actions' proposals – has been developed, validated and disseminated; • On the basis of the diagnosis study's proposals and the validated methods of selection of beneficiary representation structures as well as and implementation of the action, 03 associations in particular Young Lions Art (YLA), The " Association des Artistes Sculpteurs du Cameroun " (AASCA), ARTI-Bois have seen their capacities strengthened in terms of project cycle management and seeking funding, strategic and operational planning, and organizational governance respectively.

ACHIEVEMENTS/ SUCCESS	
AT RESULT 2 LEVEL	<ul style="list-style-type: none"> • 01 note de contribution de l'IFFB a été proposée dans le cadre du processus national de révision des grilles de légalité APV-FLEGT. • 01 roadmap and 01 operational charter of the Interprofession were developed on 06 and 07 August 2019 during the joint workshop of consultation and preliminary reflection organized for this purpose. • 21 delegates from the Interprofession, including 07 representatives, took part in the 2 Ordinary and Extraordinary General Assemblies of the IFBB held on 21 and 22 August 2019. • All members of the IFFB present at the Ordinary and Extraordinary General Assemblies adopted the 2019-2020 roadmap and the operational charter of the Interprofession. • 01 Contribution Note of IFFB was proposed within the framework the VPA-FLEGT National Legality Grids Review Process
AT RESULT 3 LEVEL	<ul style="list-style-type: none"> • 400 leaflets – in French and English versions – including the one on the project presentation and the one on the policies and procedures of industrial companies for the legal timber supply of SMEs/SMIs and artisanal operators have been produced within the framework of this project. • 24 representatives of SMEs/SMIs and artisanal operators in the wood sector were sensitized and trained on May 16, 2019 in Yaoundé on the procedures for the purchase of legal timber from industrial forest companies. • Legal timber purchase documents by SMEs/SMIs and artisanal operators from a certified industrial forest company.

AT RESULT 4 LEVEL

- 76 participants took part in the project launch workshop among which the administrations (MINFOF, MINEPAT, MINPMEESA) the Technical and Financial Partners (EU, FAO), the Non-Governmental Organizations (WWF) and SMEs/SMIs and artisanal operators in the timber sector who are members of the interprofession.
- 03 courtesy visits were made to MINFOF Inspector N^o1, MINFOF VPA-FLEGT Focal Point and the FAO Representation in Cameroon.
- 03 quarterly Monitoring and Evaluation meetings were held via Skype between ATIBT and the GFBC's project team.
- A televised debate on the challenges associated with the involvement of SMEs/SMIs and artisanal operators in the timber sector was held on the national television CRTV and widely broadcasted.

IV. SUCCESS FACTORS

The effective implementation of this project was made possible by the combination of several factors that would be useful to list in this capitalization report. These include the following :

- The participatory and inclusive approach adopted during the project implementation has made it possible to raise awareness among all the delegates of the Interprofession on the need to revitalize their association.
- The institutional support of the Ministry of Forestry and Wildlife (MINFOF), the Ministry of the Economy, Planning and Regional Development (MINEPAT), and the Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts (MINPMEESA) facilitated the consultation of the various delegates for a compromise that led to the holding of the Ordinary and Extraordinary General Assemblies of the IFFB.
- The real involvement of industrial forestry companies members of the GFBC which has been of paramount importance for the sale of legal timber to SMEs/SMIs and artisanal operators.

- The diligence that FAO has given us on the implementation time of this project through amendments that have enabled us to completely implement project activities.
- The commitment of IFFB Delegates to revitalize their associations.
- The experience of the selected Consultants and the GFBC project team members also contributed to the successful implementation of the project.



V. CONSTRAINTS, LESSONS LEARNT AND RECOMMENDATIONS

In its implementation phase, the project to strengthen the involvement of SMEs and artisanal operators of the timber sector in the implementation of the VPA-FLEGT through an improvement of their representativeness within the Interprofessional has encountered several constraints, the most important of which are presented below :

- Disagreements between the President and the three other Vice-Presidents of the former Executive Board for signing and convening the General Assembly to relaunch and ensuring the revitalization of the IFFB.
- Lack of incentive mechanisms (halving of felling tax for local market timber, reduced VAT rate) as proposed by industrial forestry companies to allow them to sell timber and derved products from their sawmills at an accessible price on the local market. This difficulty makes that the prices of timber from industrial companies and offered to SMEs/SMIs and artisanal operators in the local wood sector are charged from the felling tax, VAT, and different variable charges to finally becoming very high, and

therefore not very often facilitate the signing of business contracts and or partnership between SMEs/SMIs and these industrial enterprises.

- The current socio-political crisis in the North-West and South-West (NOSO) regions of Cameroon has prevented the project team and consultants from mapping SMEs/SMIs and artisanal timber operators operating in these regions.
- The unavailability of some association managers and the lethargy and inactivity of some associations.
- The change in the Executive Board of the GFBC was one of the factors that slowed down the process of implementing the project because after the new executive took over, it would have been necessary for the latter to be able to appropriate the project before giving their quitus for continuity or not.
- The disconnection of the governing bodies of certain associations that are members of the Interprofession from their respective bases was a major difficulty for the project team during the organisational and structural diagnostic phase.

All in all, the implementation of this project has enabled several lessons to be learned, the most relevant of which are as follows :

- Raising awareness and building capacities of IFFB members on legality and governance initiatives (VPA-FLEGT; European Union Timber Regulation-EUTR; MIB) is paramount to ensure better involvement of the latter in the implementation of the VPA-FLEGT in Cameroon.
- The revival of small forestry licences (Timber Exploitation Permits-PEBO) and the creation of simplified approvals - through the adoption of the current stagnant draft texts - will facilitate adequate access to legal timber for artisanal operators and contribute to a significant reduction in illegal logging.
- The adoption of the operating texts (Statutes, Rules of Procedure and Charter) in a consensual manner and the establishment of transparency mechanisms are fundamental for ensuring the functioning of associations, networks, federations and interprofessional organizations.
- Forestry companies are ready to widely put timber from legal source at the disposal of SMEs/SMIs and artisanal operators in the Domestic Timber Market, on condition that measures to alleviate the inherent tax burden accompany the dynamic.
- Timber from legal source acquired from industrial forest companies by SMEs/SMIs and artisanal operators is a guarantee of decomplexion and facilitation of the supply chain of the latter, in fact, they are no longer conformed with frustrating redtape during transport.
- Institutionalization and implementation of incentive mechanisms (cut felling tax in half, VAT at a reduced rate) are among other things a guarantee to accompany industrial forest companies to make available legal timber to SMEs/SMIs and artisanal operators at cost price.

Given the constraints encountered during the project implementation phase and the subsequent lessons learned, the following recommendations are made to various stakeholders in order to improve the effective functioning of the IFFB.

- **Technical and financial partners** must continue to accompany and support the functioning and structuring of the Interprofession.
- **The IFFB's Executive Board** must :
 - Ensure - as foreseen in the operating texts - the renewal of the various delegates in the different colleges at the level of regional divisions ;
 - set up a working committee to prepare and propose to the Ministry of Forestry and Wildlife a legality grid adapted to the operators of the 3rd and 4th timber processing.
 - Effectively establish and ensure technical thematic commissions are operational within the IFFB.
- **The Ministry of Forestry and Wildlife as well as sectoral administrations** must adopt incentive mechanisms so that industrial forest companies can adequately make timber from legal source available for SMEs/SMIs and artisanal operators.