



Report of the 3rd ATIBT Think Tank

Videoconference, November, 2-3 2020

The 3rd ATIBT Think Tank on the theme "**What future for certified companies in the Congo Basin**" took place on the 2nd and 3rd of November 2020, by videoconference. Since its creation in May 2018, the Think Tank has been supported by the ATIBT marketing program.

Conceived as an "ideas laboratory" with an international dimension, simultaneous translation allowed the participation of different English-speaking partners of ATIBT. In total, about 80 people were connected to the meeting. The meeting was built around 4 webinars of 2h30 each, focusing on the following themes:

Session 1 – Improve the image of certified tropical timber in Europe.

Session 2 – Give back value to the Forest, Enhance Ecosystem Services (ES) and Certification

Session 3 – Develop collaborations with Asian operators to act jointly on the sustainable management of tropical forests.

Session 4 – Explore new markets for tropical timber

All the presentations made during the sessions can be found on the following links in chronological order:

French titles: <https://www.atibt.org/fr/media/66/3eme-think-thank-de-latibt>

English titles: <https://www.atibt.org/en/media/66/3rd-think-thank-of-atibt>

Recording of the different Zoom sessions is also available:

[Session 1 - Improvement of the tropical wood image](#)

[Session 2 - Give back value to forests. Environmental services and certification](#)

[Session 3 – Working with Asian operators](#)

[Session 4 – Exploring new tropical wood markets](#)

A total of 34 speakers spoke during 35 presentations, spread over the different sessions. Claude Garcia (CIRAD - ETH) moderated the discussions of the four sessions, giving rise to fairly in-depth discussions. The report below summarizes the main points of the exchanges, placing the sessions in non-chronological order, with the sessions in the following order: 1-4-2-3. Thus the session on the image of tropical woods is followed by the "market" session because different subjects are close.

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Working group - Improve the image of certified tropical timber in Europe.

The leader of this action is : Bertrand Faucon bfaucou@stratemark.fr



Concerning the improvement of the tropical wood image, exchanges began on communication issues. A review of current actions concerning the brand Fair&Precious was carried out, mentioning the various projects linked to the program. It was proposed to make films on the benefits of sustainable forest management and the promotion of certified wood purchase. This was followed by a proposal to train and equip local

Fair&Precious correspondents in the concessions and among collaborators and the local population on the occasion of these films. The aim would be to collect testimonials and reports on best practices in sustainable forest management, with a focus on local communities and CIB Olam OKA project, which was launched on the occasion of the Think Tank.

The **sustainability report** written by Interholco was also mentioned.

Partnerships with STTC (IDH) and SW4SW (FAO) as well as the upcoming World Forestry Congress in Seoul, were also mentioned as opportunities to share our visions for the sustainable management of the Congo Basin.

Access to public markets through preconceived tenders was mentioned, as well as support for the elaboration of sustainable procurement policies. An update of the available information on the **National Strategy against Imported Deforestation** (SNDI) was made, including the announcement of the upcoming publication of a guide to public procurement in France. As a reminder, the SNDI will encourage the sectors able to demonstrate the "zero deforestation" origin of various imported agricultural raw materials (cocoa, palm oil, soy, meat, wood). Given the state of progress of other sectors in this area (other than wood), there should be a real opportunity for tropical wood, given the emerging analysis on the quality of labels. The French SNDI is also under discussion at the level of the European authorities for a wider deployment.

The work of influencing markets was discussed in order to support Fair&Precious communication with the use of influencers as "multipliers" of clear and precise messages to buyers and distributors as well as to the general public.

Benchmarking has been initiated with **The Borneo Initiative** (TBI), and a study trip to Indonesia or Papua New Guinea has been proposed to reach a better understanding of the ins and outs of this initiative.

Regarding the EUTR, the need to extend due diligence beyond the first marketers, throughout the chain to the final consumer was mentioned. As long as there is discussion on the legality of tropical timber, it will be very difficult to promote it. The image will only improve when the supply of tropical timber from Africa is fully legal, and the need to eliminate illegal competition is crucial.

The fight against illegal wood must continue, and the weakness of the actions proposed by the public services of importing countries in Europe was noted.

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Working group - Explore new markets for tropical timber

Leaders of this action are :

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During the working session on markets, the main themes were diverse, from the consolidation of markets for tropical wood products to the development of new markets such as tourism.

The CEMAC decision to **ban the export of logs from 2022** was presented. The comparison with the current situation in Gabon, 10 years after the 2010 ban, was highlighted, and the launching of the Nkok zone was also commented on its effectiveness. Concerning this ban, accompanying measures will have to be implemented, and not only for companies setting up in the Special Economic Zones (SEZs) that will be created. Indeed, companies already established should not be penalized. The ban on logs can be an important constraint for some countries: failing infrastructure, lack of support for the industry, lack of trained staff, energy or rather the absence of energy, etc... COMIFAC also expressed its views on this subject, highlighting the fact that the organisation would be at the side of forest managers, and that during the CEMAC meeting, it was underlined that taxation should be adapted.

The COVID crisis, although it was not at the center of the discussions, will not help this development, as companies are still weakened at the moment.

It was also said that the ban on log exports would be antinomic with the diversification of species because of the inadequacy between the existing industrial tool and the LKTS. The exploitation of the LKTS would require exporting them in logs, given their lesser abundance, which does not allow to pay for a sawmill for large contracts. It was also pointed out that countries that have stopped exporting logs for a while are no less prevented from launching less well-known species.

The decision of the Paris Olympics, taken through the public establishment SOLIDEO, **to ban tropical wood** for the construction of the "Olympic village", unlike London Olympics, has been criticized. LCB and ATIBT will work together to try to get SOLIDEO to reverse its decision. A project to involve the African states to SOLIDEO was considered, because these states must also defend their productions. Conducting joint campaigns, including mobilizing influencers, would optimize resources. After the Olympics in France, the future of African wood as a choice material and a provider of solutions to climate and social issues may also be a major issue. But campaigns alone are hardly enough, without incentives for responsible actors and sanctions for others. Thus, action must remain positive, but this situation has highlighted the need for communication in our sector, together with NGOs and politicians. Arguments must be found to position tropical wood in public procurement.

A "**Community Forests**" project was mentioned by Precious Woods, to create bridges between urban communities in consumer countries and rural communities in Africa. Concerning ecotourism, the "canopy bridge" project in Gabon was mentioned to express regret that it could not be carried out.

The results of the study on related products carried out in 2019 were presented, highlighting the level of ingenuity of companies faced with a drastic depletion of the resource: steaming to transform properties of LKTS species, maximum recovery, etc... It is urgent to develop new markets, new products, new strategies for local wood processing. African regional markets are certainly a key opportunity.

BVRio "Responsible Timber Exchange" platform (www.bvrrio.com) was launched in November 2016. The free use of the online trading platform enables the sourcing of legal and sustainable timber from all over the world. This platform is available in English, French, Portuguese, Spanish, Indonesian and Chinese. Questions were asked regarding the intensification of this platform for Central Africa, and the verification of the sustainable origin of the wood.

Among the projects recently initiated or under consideration by PPECF that have been presented and that are related to image or market issues for tropical wood, we can point out :

- **The Themis project**, to collect data on the commitment of companies in different European countries, perhaps to be brought closer to the marketing platform for sustainable wood managed by BVRio. A BVRio-Themis interface should therefore be planned to increase the efficiency of this study.
- **The Dryades project**, to highlight the importance of having life-cycle assessment (LCA) and environmental and health reference data for building (FDES) to reach the construction and new construction market. These elements will be indispensable in 2021, if we want to reach the French construction market (and in several countries in the future).
- **The LKTS project**, for supporting the initiatives of the various companies regarding their marketing of LKTS (which it was suggested should be called "sustainable timber species" –STS). PPECF proposed to the companies of the program the implementation of work meeting the needs of each one, with "coaching" on the model of what was done for certification. As a reminder, CIRAD has carried out the characterization of many tropical species (about a hundred for Africa) with the TROPIX sheets (<https://tropix.cirad.fr/en/fiches-disponibles>). We must first focus on species or groups of species that are very abundant in the region: Limbali, Ilomba, Essia, Eveuss, Celtis, etc...

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Working group - Give back value to the Forest, Enhance Ecosystem Services (ES) and Certification

Leaders of this action are :

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A session was dedicated to the crucial issue of giving more value to forests. Focused on the issues of certification, payment for environmental services and welfare and forest management, this session provided an opportunity to think about the role and responsibility of forest managers and the limits of the forest concession model in terms of profitability.

On the side of certifications: the preparation of the FSC GA in Bali in October 2021, and more specifically the case of Motion 18/2020 **calling for the deletion of Motion 65 on IFLs and the development of forest protection measures** were commented. It was reminded by FSC that **FSC rules** limit the flexibility given to national group discussions about standardization for the adaptation of motions, and stressed that ATIBT and its members are right to focus on the defense of motion proposals for the next GA.

A presentation was made on the current status of the PAFC-Congo Basin project, reminding that the forest management standard was validated in October 2020 and indicating that the PAFC CB certification system should be ready by the first half of 2022. The validation of the standard is a real success, as it constitutes a consensual, pragmatic and innovative reference in terms of evaluation criteria, integrating marker indicators such as social and wildlife management plans, greenhouse gas calculations, and carbon stock assessment. Some issues still need to be resolved for the PAFC CB certification system to cover and serve the certification of company operations in the Congo Basin, including finding accreditation organizations interested in developing an accreditation program for the subregion.

Some specific topics, such as **taxation**, were also discussed. The revision and harmonization of forestry taxation in the CEMAC zone is essential for the survival of companies, because there are too many disparities such as the huge gaps between annual forest tax (AFT), slaughter taxes, exit rights. Taxation has an impact on the cost price of logs and processed timber to varying degrees. This is a major issue for the renewal of development and industrialization plans. But initiatives for tax incentive mechanisms in favor of certification (for example the new finance law in Gabon) based on differentiated taxation according to the level of certification represents an opportunity to reward certified companies and indirectly spread the costs of certification.

The **Payments for Environmental and Welfare Services (PES)** mechanism in relation to SDGs was the subject of various presentations, with a fundamental question: who can pay for the environmental services provided by forest companies? Many mechanisms are under consideration, but few are active and operational. It is difficult at the moment to know what will actually work. The **Vertdeep platform** that has been presented will enable the exchange and "liquidity" of certificates by creating a real financial market for the positive impact. This platform is based (1) on the contractual relation between investors/sponsors and forest companies capable of implementing actions with positive impacts and (2) on enhancing a company's image (which can represent 25% of its value). This relation takes the form of a contract that settles the question of ownership.

The question of "**additionality**" **between certification and PES** was raised. In general, additionality does not systematically apply to requests made under the FSC Environmental Services procedure (STD 30 006). The markets for verified carbon credits are stricter. A widely shared suggestion would be to use a "business-as-usual" baseline of a non-certified or « conventional » company, rather than the sustainable management certification level, in order not to risk penalizing already certified companies

that will have already invested, and to create opportunities to encourage new companies by compensating the costs of certification with ES revenues.

It is necessary to pursue this reflection on PES and to **value the services provided by certified forest managers in a way other than wood**, and to delve the approach of the Venturexpert solution, while working on the blocking points and the limits/risks (profitability of environmental and welfare services and the cost of verification, on which verification tools to rely, the question of additionality, the image of foresters, etc.).

The **renewal of development plans** (DPs) was also discussed. Indeed, some companies are close to the end of their first rotations and development plans. Moreover, new issues have emerged during the first rotation that will have to be included in the next one (inclusion of local populations, climate change issues, plantations/agroforestry, agriculture-related issues, food security, PES opportunities, etc.). It is therefore necessary to **rethink management**, both from a technical point of view and in terms of the role of the forest manager, by assessing and minimising the necessary investments. It was said that any discussion with the administration will be very lengthy, and this is why this situation should be anticipated now with all the stakeholders and partners.

This session highlighted the strong dynamics of certification in the Congo Basin with the advent of a new emerging system, or new regulations that integrate certification as a legal obligation (with the potential limits). But there is still a need to value the services and role played by **certified concessionaires, who increasingly bear responsibility for issues related to tropical forests** (forest management, land use planning, responsible for ecosystem services, inclusion of local populations, etc.).

The forest world needs to reinvent itself by finding new types of investors, new types of financing, by enhancing the value of the forest as a whole and not just wood, by finding ways to reward virtuous companies. PES have an interesting potential, and it could be a trail to orient this approach towards rewarding the implementation of positive actions by a forest manager within the framework of a "positive impact contract". This reflection represents a challenge since it requires looking for products other than wood, and the market of these products is unknown.

It is indeed time to carry out these reflections on subjects which, for many issues, are **constantly evolving** (development plan, role of the forest concession manager, PES, etc.), and which require to rethink the certified forest concession model.

Knowing how to **restitute the reality of life in certified forests** for the fauna, flora, inhabitants and companies... is the key to developing and financing this model.

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Working group - Develop collaborations with Asian operators to act jointly on the sustainable management of tropical forests.

Leaders of this action are :

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Regarding relations with China, and after the introduction of this session with a reminder of the conclusions of the ATIBT forum organized in October 2019 in China and the offer to consolidate relations between ATIBT and Chinese organizations, **there was an updated presentation of the Global Green Supply Chain (GGSC) initiative.**

A project to finance sustainable wood imports in China was also presented with financial incentives (better loan conditions) to reward operators who respect legality. This **Green Supply Chain Facility**

(GSC Facility) project is probably an opportunity for Fair&Precious companies, as it will target legal wood purchases. Certified wood should be promoted through this mechanism.

The implementation of Article 65 of **the new forest law in China** was presented. It was pointed out once again that China, because of the importance of its market, can be a determining factor in the evolution of the legality and sustainability of the sector. The new forest law will be fundamental.

It is too early to know how Article 65 will be implemented. The NFGA (Chinese Ministry in charge of forests) needs support in this area, which is currently underway through a programme funded by the United Kingdom.

The CTWPDA association asked ATIBT for **support to better understand the definition of "legal timber" in different countries of the Congo Basin**. A first work should be delivered by ATIBT in November. The Chinese translation of the Timber Trade Portal (TTP) was also discussed.

The linking of Chinese companies with forestry companies committed to sustainable practices was also discussed.

Finally, discussions are underway within PPECF to make a certification guide available to forest operators in the Congo Basin, including a Mandarin translation.

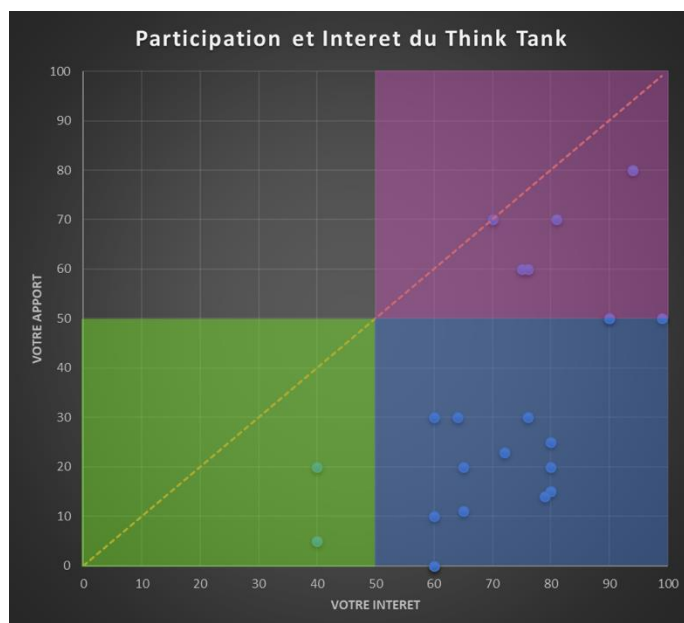
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Results of the satisfaction survey on the Think Tank, followed by personal reflections of the facilitator.

The facilitator of the think tank is Claude Garcia claude.garcia@usys.ethz.ch

Following the Think Tank, a questionnaire was submitted by Claude Garcia to the participants. 22 people responded to this "satisfaction questionnaire", and estimated their contribution and what they learnt from the Think Tank. This enables to represent the commitment in a simple way. Each point is a participant: horizontally the estimated benefit of participation, and vertically the investment it has cost.

There are then 4 types of profiles.



First observation: everyone is below the diagonal, which reflects a general satisfaction: there is more to learn than to bring.

There are 4 types of profiles.

In mauve the **contributors**, who invest a lot in the organization of the debates. They are also the ones who benefit the most from it. In blue, there are the **beneficiaries**. Their contribution is moderate, and they value the benefit they take from it highly. This is the largest category, which is not surprising for this kind of platform. In green are the **visitors**. They don't invest much, they benefit, but only moderately. Only two people are in this position, but it is very likely that many

people who didn't answer the questionnaire are in this situation. Finally, in gray, the **pillars**. They give a lot and get little. No one is in this situation. This is a good sign. It is possible to be a pillar in a collective process, but not for long.

Generally speaking, Claude Garcia makes a subjective and non-exhaustive selection of what has most been debated. These include (1) **the figures mentioned to quantify a company's image**, (2) **the progress of F&P**, but also (3) **the absence of African partners**.

Both in terms of substance and form, we also note (4) the awareness shared by all, concerning **the challenges of the sector**; (5) **the growing gap between certified operators and the others, who are the majority**; (6) the decision by China to move forward on the legality of imported timber, coupled with a risk of "State green awareness", so some people have doubts. Many of us reacted to the opportunity for the EU to finance the transition to legality of the Chinese partners.

In terms of substance, our facilitator agrees with another speaker that governance and corruption were not discussed, even though these issues seem to have had a major impact on the negative image of tropical timber.

The facilitator also made a personal point, which was also mentioned by other participants: **a deep transformation of the concession model is beginning to take shape, which has been announced for a long time but is becoming clearer**.

In terms of form, we enjoyed discovering new online collaboration tools. The diversity of the speakers, the themes as well as the high level of participation were noteworthy points. The participants were also often surprised by the fluidity that the Zoom format allows.

We missed the most two things - direct and informal interaction, and more time for reflection, debate and conflicting discussions. Many of us regretted many black screens. There is no doubt that videoconferencing... requires seeing the person you are talking to!

A third important point, already mentioned above: more participation by African colleagues is needed. Still on the form, what was probably a negative point is a too busy schedule, with many presentations, sometimes too long, to the detriment of the time for reflection already mentioned.

The facilitator was personally challenged by the discouragement that some participants report in the context of increasing complexity of the profession, and the frustration of not seeing solutions coming.

In the end, we ask to renew the exercise of the digital meeting, but Claude Garcia personally advises against hybrid formats. Finally, we made a point of greeting the organizers and the moderator.

A final reflection: What does ATIBT consider, faced with the diversity of the issues and the fronts to move forward?

Below a personal analysis by Claude Garcia :

*"As a moderator, I have both the privilege of being in the front row to listen to you, but also the difficulty of taking a step back - difficult to listen carefully and reflect on the meaning of what is being said at the same time. Since ATIBT offers me the opportunity to share my thoughts, I retain for my part, in addition to everything that has been said previously, an element that has often enabled me to sort out through the many themes and points discussed. The three dimensions that interest us - **profitability, legality and sustainability** - already allow us to make a distinction, and represent for example the scenarios presented by Sylvie Gourlet Fleury at the Shanghai meeting. While, legality is for some us the first step towards sustainability, my colleague from CIRAD emphasized that the law can perfectly well provide provisions against the reconstitution of ecosystems.*

Keeping these diagrams in mind can help us not to take contingent elements for absolute truths. Unfortunately, the complexity explodes exponentially and adding a 4th dimension - here the criteria for certification - is not the same as drawing an extra circle - as I was able to do during the discussions. We go from 7 to 15 possible scenarios. A 5th dimension (the rights of indigenous people for example) quickly makes the exercise impossible for normal people!

We must therefore arm ourselves with tools to avoid drowning in this complexity - just as accountants have developed abacuses. Sharing this kind of reading grid can bring more clarity to the debates you wish to hold".



Figure 2: Spaces for 3-dimensional (profitability, legality, sustainability) and 4-dimensional (+certification) solutions. The combinatorics explain how the possible scenarios multiply. Keeping this diagram in mind can avoid misunderstandings.

Conclusion.

The think tank will continue to operate as a collaborative platform, alternating times for exchange, information and collective construction and decision-making. Whether you are a visitor, a beneficiary or a contributor, we invite you to continue the commitment, and why not change roles from time to time.

Note that different actions will now have to be carried out in light of the orientations resulting from the exchanges. The increased number of discussed subjects will require to set priorities.

Beyond the underway projects mentioned above, we need to carry out a collective work to think about the future of development plans, or the decision of CEMAC to ban the export of logs, subjects that ATIBT must convey.

Many other actions need to be undertaken, in particular actions in the short term addressed to certain European public buyers to make them understand that the banning of tropical timber in public procurement is not understandable, at a time when sustainable forest management, employment in the Congo Basin and the future of rural communities are priorities. The creation of tender kits would also be an interesting trail. Finally, a better implementation of the EUTTR is considered urgent by many participants and will be the subject of a forthcoming communication with the EU.

A more detailed report will allow to deepen the orientations mentioned.

Do not hesitate to circulate and comment on this document, in anticipation of our next meeting.

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