

COVID-19

ANALYSIS OF THE SOCIAL
AND ECONOMIC IMPACT
ON THE FOREST SECTOR

REPUBLIC OF CONGO

July 2020



FOREWARD

« The COVID-19 virus is taking hold across the African continent and the situation is evolving quickly. Many African governments have put in place measures to prevent the spread of the pandemic, but at the same time, disruptions to supply chains and domestic production combined with weak external demand, the sharp fall in commodity prices, as well as disruption in key service sectors such as tourism, are putting people's jobs and livelihoods at risk. »¹

ATIBT, in collaboration with BVRio and support from UK Aid under the Forest Governance, Markets and Climate Programme, carried out a study to ensure a better understanding of the impact of COVID-19 on the forest sector in the Republic of Congo. It highlights the consequences of the pandemic on the forest sector and the difficulties in implementing measures to combat the spread of the epidemic.

The resulting analysis highlights the direct consequences of the health crisis on the economic and social environment of the forest sector, jeopardizing the production and trade of forest products and the livelihoods of local populations.

The results of this study, presented in this document, should help to explore the best solutions to support forest enterprises in the face of the difficulties encountered during this complicated period, and to support the reflections of stakeholders in the forest-based sector (enterprises, public services, commercial partners, etc.) to guarantee the livelihoods of local populations in a more sustainable way in the post-crisis period.

This study is based on information collected from April to June 2020, provided by ATIBT members, and is mainly based on the participation in telephone interviews² of 20 companies in the wood industry throughout the Congolese territory.

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¹ (THE WORLD BANK, 2020)

² ANNEX 1- INTERVIEW - SURVEY ON CORONAVIRUS

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ABSTRACT

Since the appearance of COVID-19 in China, and then in the rest of the world, the forest sector has been experiencing a delicate slowdown with the closure of borders and all the more threatened with the establishment of general population lockdown by governments.

In Congo, according to information collected in April and May 2020, the lockdown reveals a significant workforce reduction in the forest sector and a negative effect on the smooth running of timber harvesting, processing and trade activities.

The majority of respondents stress the strong threat to their companies, which is all the more serious for the forest market and the national economy. Indeed, with the partial stoppage of activities and a mean reduction of nearly 70% in the workforce across all the companies interviewed, the social and economic impact is considerable.

While it is still difficult to assess the extent of the consequences of COVID-19, companies should expect medium- and long-term repercussions on all activities and the supply chain.

Delivery delays from suppliers, the slowdown in the processing of orders, requests for deferred payment from customers, etc., observed by companies, represent factors that apparently affect, at different levels, the respective cash flow of companies.

The activities carried out under the minimum service are based primarily on requests prior to the health emergency. Companies strive to honour their contracts by relying on current stock.

Most companies reported a significant decrease in demand on the domestic and foreign market. However, with regard to the external market, the low rate of increase in demand observed corresponds in particular to companies' trade with China, the main importer of tropical timber from the Congo Basin countries. The uncertain evolution of the health emergency will strongly condition the state of supply and demand.

This situation reflects the partial cessation of activities of logging companies, making health, financial stability, social impact, as well as supply chain difficulties, the main issues of concern for companies.

While the 80% resumption of activities would enable companies to ensure social and economic balance during this crisis, the companies surveyed also mentioned certain measures that could accompany them in dealing with the consequences of the pandemic, including :

- A temporary leave of absence on employment taxes,
- Support for staff remuneration or a short-term work programme,
- Tax deferrals: payments into pension plans, tax charges,
- Access to low or no interest rate loans.

**SOCIAL, ECONOMIC
& ENVIRONMENTAL
HEALTH UNDER
THREAT**

In this context, support measures for businesses have been put in place, demonstrating the involvement of the government in particular:

- A COVID-19 fund for the management of the health response and a national solidarity fund to support businesses and households,
- Customs, tax and financial measures offering numerous tax deferrals and a reduction in import and export taxes to ease the burden on logging companies that are experiencing a decline in activity,
- The government's invitation to financial operators to offer as many new credit facilities as possible, with or without a State guarantee, to enable companies to reconstitute their cash flow as soon as possible.
- "The government will also have to negotiate with national credit institutions the implementation of moratoria and rescheduling, for the benefit of companies in difficulty, of loans granted before the onset of the pandemic," said the President of the Republic in his message, 30 April 2020.

Successive extensions of health emergencies and containment test the resilience of businesses. There have been two phases prior to the progressive lifting of containment.

- 1st phase: containment from 31 March 2020 to 30 April 2020 during which "The state of health emergency, declared by the above-mentioned decree N° 2020-93 of 30 March 2020, is extended, over the entire national territory, from 21 April 2020, for a period of twenty days" until 11 May 2020.
- 2nd phase: extension of containment from 1 to 17 May 2020 during which the state of health emergency is renewed for a further twenty days from 12 to 31 May 2020.

With the extension of the health emergency and containment, companies will have to expect medium and long-term repercussions on all activities and the supply chain involving the exacerbation of the difficulties encountered. The negative effects of COVID-19 and the repercussions on the production and trade of forest products will weaken the companies in the sector as well as the livelihoods of local populations.



**IMPACTS ON
FOREST PRODUCTS
PRODUCTION & TRADE**

CONTEXT

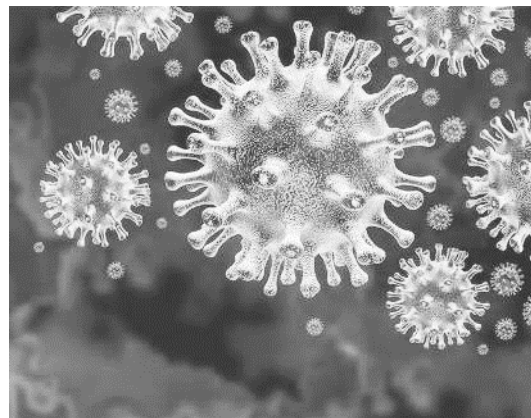


THE RESILIENCE OF THE FORESTRY SECTOR IS PROVEN

30th JANUARY 2020

The new coronavirus, which appeared in the Wuhan region of China, contaminated 7,834 people, including 7,736 in China, representing 99% of the cases notified worldwide. It is the cause of 170 deaths, all in China.

The Director-General of WHO declares that *"the outbreak due to the new coronavirus is a public health emergency of international concern,"*³ particularly because of the potential damage this virus could cause in a country with a fragile health system.



The World Bank's April 2020 report on [the Impact of COVID-19 on Commodity Markets](#), points out that *"The outbreak of COVID-19 has been accompanied by widespread declines in global commodity prices. The pandemic represents a unique shock that has a major impact on both the demand and supply of commodities. Oil markets have been most affected, given the collapse in travel arising from mitigation measures, and have seen an unprecedented collapse in demand and steepest on-month decline in oil prices⁴ on record."*⁵

In the words of Ceyla Pazarbasioglu, World Bank Group Vice President for Equitable Growth, Finance & Institutions: *"In addition to the devastating human toll, the economic impact of the pandemic will dampen demand and cause supply disruptions, negatively affecting developing countries that rely heavily on commodities."*

³ (WHO, 2020)

⁴ The price of oil fell from USD 61.4 per barrel at the beginning of January to less than USD 30 per barrel in mid-March.

⁵ (THE WORLD BANK, 2020)

IN THE REPUBLIC OF CONGO

Real GDP growth was revised down significantly, from 1% in March 2020 to a contraction of 6.2% in June 2020, given the sharp drop in oil prices and the impact of COVID-19 on the country's exports to China, which alone account for more than 67% of total exports.

As the number of COVID-19 cases continues to increase, the slowdown in economic growth will likely further reduce the demand for raw materials. The final impact of the pandemic will depend on its severity and duration. Changing consumer behaviour could lead to a structural change in work patterns, reducing travel and fuel demand. Long-term impacts are expected to complicate the global value chain.



COVID-19 has disrupted the international timber and forest products value chain with direct impacts on the economic and social environment of forest enterprises, jeopardizing the production and trade of forest products and the livelihoods of local people.

The displacement of urban population to rural areas, linked to loss of employment, increases the pressure on forests.

While the forest sector is at the centre of international concerns about the sustainable management of forest resources, the negative effects of the pandemic on the forest sector should not overshadow the crucial role of forests in securing the livelihoods on which local people depend.

THE IMPACT ON THE FORESTRY SECTOR

GOVERNMENT MEASURES

The Government of the Republic of the Congo has taken strong measures in response to the pandemic, including the containment of the entire population as of 31 March 2020. The Head of State has thus put in place:

- a national pandemic management coordination of COVID-19,
- a task force on the economic and social impact of COVID-19,
- a national pandemic response committee,
- a college of experts.

This was followed by decrees on the organization of the public service, memos signed by the Minister of Forestry to regulate activities during this complicated period.

In accordance with the decree n°2020-99 of 1st April⁶, setting out the list of essential goods and services and essential travel in the context of the application of measures to combat COVID-19, the letter from the Ministry of Forest Economy, addressed to the heads of forestry companies on 2nd April 2020⁷ specified that the raw and finished products of forests, logistics and freight transport services, port, airport, bus and railway station services, equipment and accessories for motor vehicles and machinery, and phytosanitary products are among the indispensable goods and services.

The producers, suppliers and distributors concerned were thus authorised to continue their activities during the containment period in accordance with following the specific arrangements put in place:

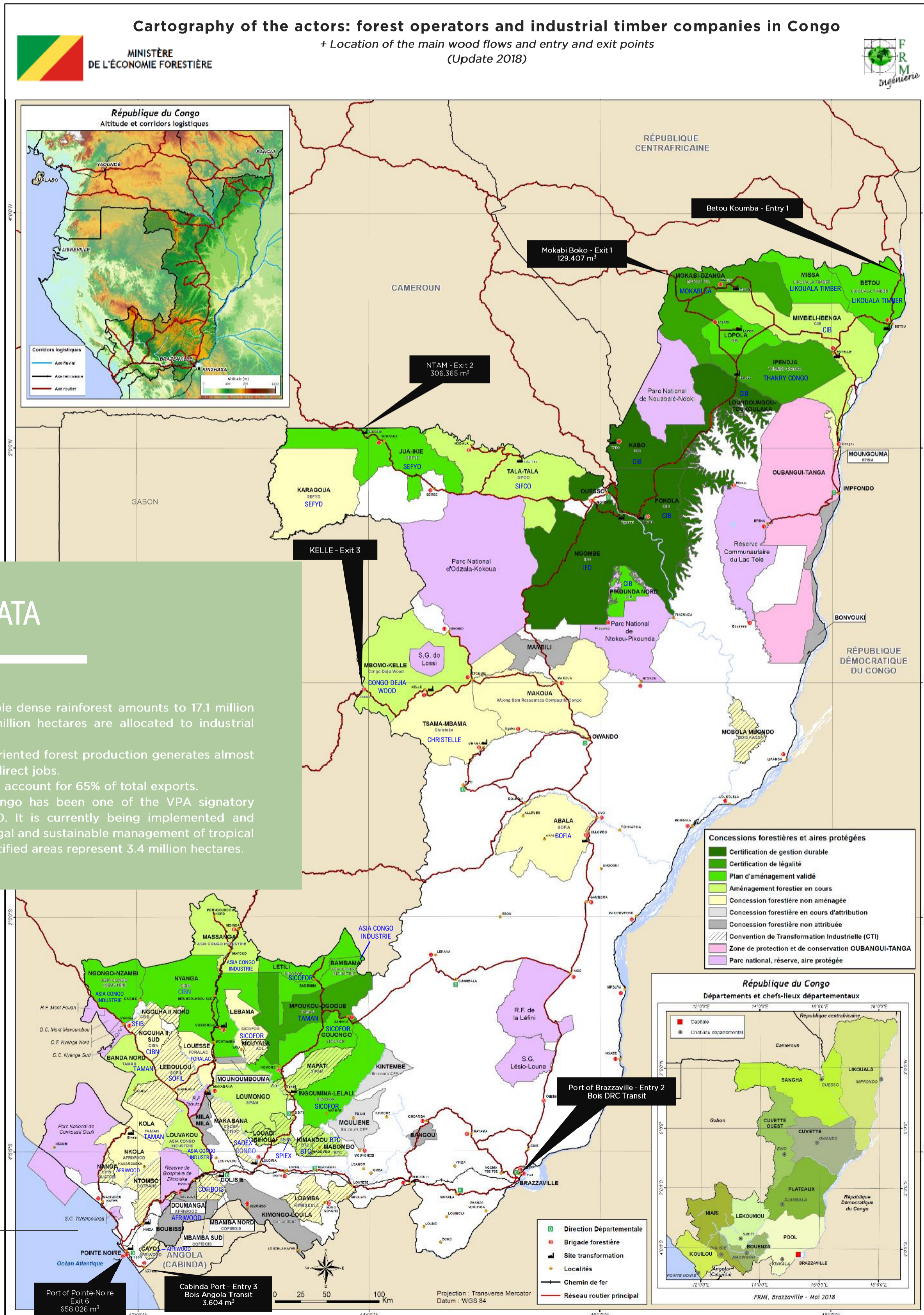
- Travel associated with the production, supply and distribution of its essential goods and services can be done either on foot or by your means of transport. For this purpose, employers will issue travel certificates to their employees.
- For the circulation of logging trucks on the national roads for the evacuation of products through the autonomous port of Pointe-Noire, it will be necessary to obtain the authorization of circulation from the Prefect of the department to which your company belongs.
- Barrier measures must be observed, in particular the rules of hygiene and social distancing. For this purpose, the number of staff present simultaneously in the offices should not exceed 10 per day.
- As regards the factories (transformation and cogeneration unit, if applicable), the number of employees must not exceed 20.
- During the containment period, priority will be given to the disposal of existing stocks of raw and finished products.

⁶ ANNEX 2- CONGO - Décret 2020-99 - COVID-19 - Biens et Services-Déplacements - 20200401

⁷ ANNEX 3- CONGO - MEF - Lettre 0027 - Précisions décret 2020-99 - 20200402

DISTRIBUTION OF PLAYERS

The government measures implemented to combat the spread of the epidemic apply to the entire forestry sector, which is unevenly distributed throughout the Congolese territory.⁸



SOME KEY DATA

- The area of accessible dense rainforest amounts to 17.1 million hectares and 14.2 million hectares are allocated to industrial exploitation.
- The largely export-oriented forest production generates almost 15,000 direct and indirect jobs.
- Log exports to China account for 65% of total exports.
- The Republic of Congo has been one of the VPA signatory countries since 2010. It is currently being implemented and contributes to the legal and sustainable management of tropical timber. The total certified areas represent 3.4 million hectares.

⁸ ANNEX 4- ATIBT - Principales données de la filière forêt-bois du bassin du Congo - Actualisation 2020

THE DIRECT IMPACT ON BUSINESSES

With the implementation of pandemic control measures, the general containment of the population and barrier measures, forest sector companies have been forced to partially shut down operations, with immediate social and economic consequences. The reasons for this are as follows:

THE PARTIAL STOPPING OF ACTIVITIES,

mainly affecting logging, felling and factory work, has resulted in a **SIGNIFICANT REDUCTION IN THE WORKFORCE** (on average 70% in all the companies surveyed), leading to a very significant increase in the unemployment rate in the forestry sector. 100% of day labourers are out of work. Workers at the end of their contract run the risk of seeing their contracts interrupted, causing an immediate impact on the fall in household incomes and purchasing power.



CHANGES IN PAYMENT PRACTICES

of suppliers or customers, observed by the majority of the companies surveyed, are likely to affect the respective cash flow of the companies at different levels.

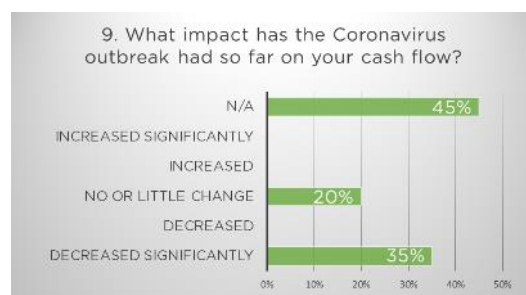
35% of them already point to a significant decrease in their cash flow, while others do not have sufficient details to make a judgement on the degree to which their company's cash flow is affected.

However, while **THE IMPACT ON CASH FLOW** is not yet visible, late payments by suppliers or customers, postponements of orders, prices revised downwards, collection of taxes, delays in the routing of orders, deliveries not met or delayed, which persist during the period of confinement, jeopardize the cash flow of companies, particularly with regard to the payment of salaries in a context of declining production.

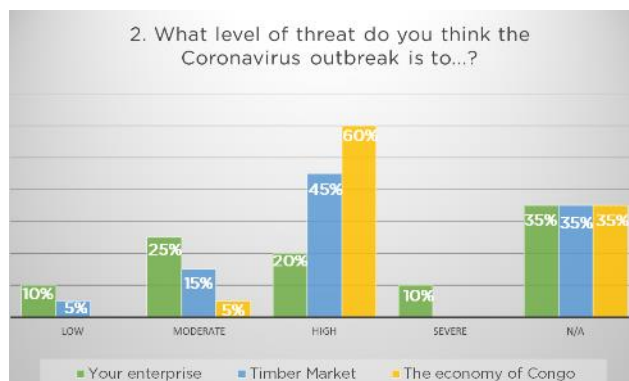
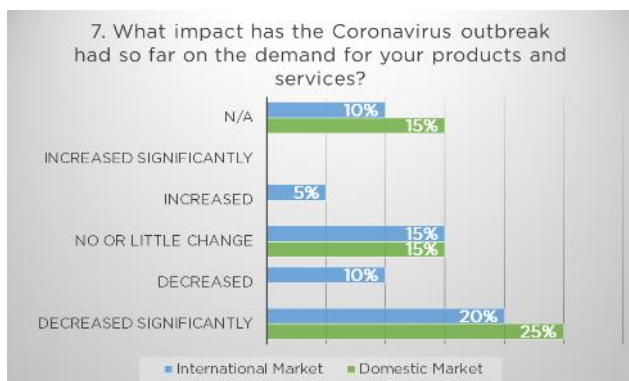


THE CLOSURE AND CONTROL OF BORDERS

due to health security measures around the world has led to a strong slowdown in the sector causing negative effects already visible before the confinement in most forest companies in Congo, among which include logistical difficulties, more specifically between borders causing delays in the movement of goods. In particular, with regard to the supplies needed for activities, most companies observe deliveries that are not respected or are delayed. Some have noted stock-outs of consumables, oil and especially fuel, which are causing a price increase in the market.



The measures taken to combat the pandemic in the various countries have led to **SERIOUS DISRUPTION IN THE GLOBAL SUPPLY CHAIN**, affecting in particular the state of demand on the internal and external markets of the Congo. The degree of impact varies from company to company, particularly due to the usual commercial activities, contracts, orders on the domestic market and/or orders on the international market specific to each company.



In view of the difficulty of assessing the level of impact at this stage, some companies preferred to express a reservation, stating, however, that the effects of COVID-19 on purchasers are undoubtedly reflected in the market. Similarly, 15% of the companies report little or no change due to accumulated demand.

Companies are thus confronted with a **SIGNIFICANT DECREASE IN DEMAND** on the domestic market (25% of responses) and even more so on the foreign market (30% of responses), caused in particular by a sharp reduction in the European and American markets, but also by delayed orders for shipments to China and the European states for some, or difficulties in coping with changes in transport conditions and the logistical management of products to Brazzaville and Pointe Noire for others. The lack of seriousness in the telephone responses led some companies to cancel certain contracts.

However, the low rate of increase in demand on the external market attributed to Chinese demand gives hope for a gradual recovery of the wood industry in China. This augurs well, given that exports depend mainly on trade between Congo and China. The uncertain evolution of the health emergency will strongly condition the state of supply and demand.

It is still difficult to measure the extent of the consequences of COVID-19. However, 45% of respondents believe that COVID-19 poses a high level of threat to the forest sector and 60% to the country's economy. Congo's forest market depends mainly on exports, while the containment situation in other continents impacts the current situation in Congo. While for some of them the threat level remains low or moderate during the first month, if the containment period extends to 2 months, they will join most of the companies that consider the threat to their business to be high and serious.

MEDIUM TO LONG-TERM IMPACT

In line with the specific framework established for essential goods and services, the forest sector, including through timber production and trade, contributes to supporting essential livelihoods.

The successive extension of the state of health emergency and containment, conditioned by the uncertain evolution of the epidemic, is testing the resilience of businesses.

- a 1st phase of containment from 31 March 2020 to 30 April 2020 during which "The state of health emergency, declared by the aforementioned decree N° 2020-93 of 30 March 2020, is extended, over the entire national territory, from 21 April 2020, for a period of twenty days", i.e. until 11 May 2020,
- a 2nd phase extending the containment from 1 to 17 May 2020 during which the state of health emergency is renewed for an additional 20 days from 12 to 31 May 2020.

From the beginning of the containment, the certified companies (FSC-FM and PEFC) have declared that they fully assume the measures enacted by the government.

The resilience and responsiveness they have shown demonstrates the effectiveness of the requirements to implement the good practices already in place through the legal and sustainable management of tropical timber. They are certainly better prepared to deal with crisis management.

While on the one hand, some companies maintained their activities from the beginning of the containment, on the other hand, particularly in the south of the country, some companies ceased their activities completely before a partial resumption, from 21 April, when the extension of the containment was announced. This phenomenon, linked in particular to poor preparation for crisis management, is an additional pressure factor on the conduct of activities during this complicated period.

Some members took the decision to close, with unclear instructions from the government and social pressure that had an impact on their ability to remain open.

Faced with difficulties mainly related to health security, the management of activities during this period of crisis remains, however, a real challenge for the entire forestry sector, particularly in terms of ensuring the implementation of measures while ensuring the supply of resources.

The implementation of the measures taken by the government to combat the spread of the epidemic has led the majority of companies to take new measures within their organization to ensure the application of these measures, in particular :

- Procurement and provision of protective supplies, reinforcement of HSE team measures to enforce barrier measures, training and awareness raising of teams in some cases;
- The introduction of short-time working mainly for operational activities and teleworking for administrative activities;
- Curfew-compliant worker rotation systems to reduce the impact on production activities.

THE EXACERBATION OF THE DIFFICULTES ENCOUNTERED

With the extension of the state of health emergency and containment, companies will have to expect medium and long term repercussions on all activities and the supply chain involving the exacerbation of the difficulties encountered so far:

- The slowdown in shipments due to logistical difficulties: transport, storage and evacuation of equipment.
- Declining productivity due to staff shortages compromising ability to meet demand.
- The fall in income/revenue of companies affecting in particular the ability to provide work for day labourers but also the payment of salaries of employees benefiting from short-time working.
- Difficulties in the supply of the equipment necessary to meet the needs of industry, particularly in connection with imports, which in particular involve problems of equipment maintenance.
- Orders delayed or awaiting delivery leading customers to postpone their contracts or request payment deferrals.
- Difficulties in paying suppliers intensified by the decline in cash flow.
- Difficulties in the supply of protective equipment and materials sent by partners but blocked at the borders.
- Difficulties of adherence and integration of barrier measures by a large part of the population related to cultural beliefs and stigmatization of patients.
- Fuel problems.
- Mill closures.

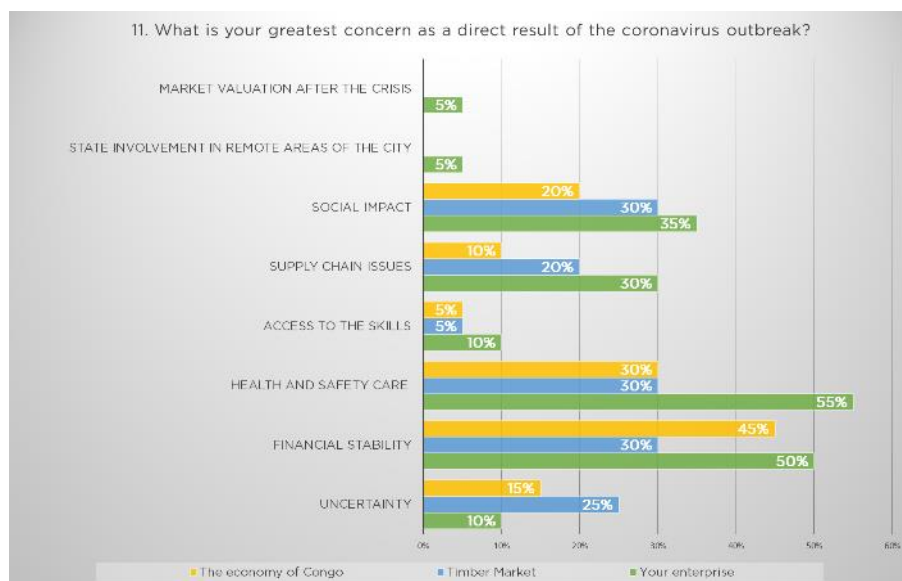
The change in working conditions and the disruptions caused by the pandemic are generally disrupting the organisation and smooth running of forest sector activities with considerable repercussions on the social, economic and environmental balance: jobs, sources of income, raw material resources, etc. The impact of the pandemic on the forestry sector is also significant.

In the medium to long term, the negative effects of COVID-19 on the forest sector jeopardize the production and trade of forest products and undermine livelihoods.

Moreover, the risks of pressure on forest resources could notably lead to significant repercussions in the fight against deforestation and forest degradation, which is a major challenge for climate change mitigation and biodiversity conservation.

MAIN CONCERNS

Among the concerns identified (access to skills, State involvement in remote areas of the city, post-crisis market assessment), uncertainties about the evolution of the state of health emergency and the lifting of containment, which impact the smooth running of activities, make health (55% of responses), financial stability (50% of responses), social impact (35% of responses), as well as supply chain difficulties (30% of responses), the main subjects of concern for companies.



HEALTH AND SAFETY

The high prevalence of malnutrition, malaria, tuberculosis and other endemic infectious diseases increases the vulnerability of the local population to the COVID-19 pandemic. In addition, the propensity to congregate makes social distancing difficult. The lack of knowledge about COVID-19 and the stigmatization of patients do not encourage adherence to and compliance with the barrier measures.

In this context, some companies have been led to extend health security provisions to the entire local community, thus adapting the response to the socio-economic and especially cultural realities of the local population in order to mitigate the threat of the pandemic and according to the means available. Faced with these risk factors, the companies questioned stressed in particular the implementation of :

- Awareness-raising and communication actions with employees and the local community;
- Distribution of health protection kits (sent by Chinese partners) to the local community;
- The implementation of screening / temperature taking.

Moreover, the comings and goings observed along the shore that separates Congo and Cameroon have led some companies to set up, by their own means, a barrier at the entrance of the river axis (Sangha River) to avoid contact between passers-by and the company's area of activity, as well as nautical means to patrol and limit the passage of the bank with the presence of public forces on the bank (Sangha River). In some cases infrared cameras have been installed. In particular, limited access to water and sanitation, urban overpopulation, weak health systems and the size of the informal economy - especially in the sector - further expose the population to health risks.

FINANCIAL STABILITY

The impact on output and productivity represents a risk factor for financial stability, in particular because of the high dependence on exports in the forestry sector.

At the continental level, according to the calculations of the Economic Commission for Africa (ECA) *"A full month of lock-in across Africa would cost the continent about 2.5% of its annual GDP or \$65 billion per month. This projection is distinct and is in addition to the broader external impact of the COVID-19 crisis on Africa resulting from the decline in commodity prices and investment flows."*

The main challenge reported by African companies is the decline in demand: *"Containment measures have created serious problems for African economies, including reduced demand for products and services, a shortage of operating cash-flow, reduced opportunities to meet new customers, the closure of some enterprises, changing business strategies and the need to offer alternative products and services, lower production and productivity of workers working from home, problems with logistics and shipping of products, and difficulties in sourcing essential raw materials for production."*

The epidemic has been accompanied by a general decline in global commodity prices with a major impact on the demand and supply of raw materials. The World Bank's economic growth projections for the Republic of Congo have been significantly revised downwards from 1% in March 2020 to a contraction of 6.2% in June 2020⁹ in view of the sharp fall in oil prices and the negative impact on exports to China.

SOCIAL IMPACT

Most companies have promoted job preservation as much as possible by introducing short-time working. However, by limiting the social and economic impact on employees in this way, companies are taking on an additional risk to financial stability.

The consequences and effects on the production and consumption patterns of day labourers and small craftsmen in the informal sector are all the more to be feared, in particular because of limited access to social protection and loss of income. [The inflation rate continues to rise in the Republic of Congo¹⁰](#), standing at 2.3% in the fourth quarter of 2019, compared to 1.2% in 2018 for the same period. Year-on-year, the analysis of the general price level shows an inflation rate of 3.8%, which is above the 3% communitarian threshold.

SUPPLY CHAINS ISSUES

The disruptions in the global supply chain and the effects on domestic and external market demand make market assessment uncertain, in particular because of the forest sector's dependence on exports. If companies produce less they will export less. Moreover, the drop in demand observed on the international market and the effects of COVID-19 on production and consumption patterns are a cause for concern. In China, the rate of wood log imports from the Congo fell sharply in the first quarter of 2020¹¹.

In addition, interviewees identified a number of aggravating risk factors, including the following:

- The rainy season causes double damage, slowing down productivity and threatening business revenues ;
- The weakness of the health care system that increases the threat ;
- The postponement of the deadlines for the implementation of the forestry code and the SIVL, slowing down the efforts devoted to the forest management plan, legal and sustainable forest management ;
- The increase in illegal acts in forests due to the containment situation is jeopardizing efforts to mitigate climate change and conserve biodiversity. In particular, [the resurgence of wildlife crime¹²](#) observed during the containment period.

The various contribution of the forest sector to broader development goals reflects the central role that forests will play in social and economic recovery post-crisis. Because of the risks of pressure on forest resources, the forest sector needs to redouble its efforts to ensure legal and sustainable production and trade of forest products and maintain livelihoods. Combating deforestation and forest degradation, including through legal and sustainable forest management, is a major challenge for climate change mitigation and biodiversity conservation, ensuring the social, economic and environmental role of forests.

⁹ (THE WORLD BANK, 2020) – [Commodity Markets Outlook Special Focus – April 2020](#)

¹⁰ (AGENCE D'INFORMATION D'AFRIQUE CENTRALE-CONGO by Fiacre Kombo, 2020)

¹¹ ANNEX 5- CTWPDA - China's Hardwood Log and Lumber Import - 20200612

¹² (AGENCE D'INFORMATION D'AFRIQUE CENTRALE-CONGO by Fiacre Kombo, 2020)

GOVERNMENT SUPPORT

Accompanying measures aimed at increasing the resilience of local businesses in the face of the health crisis have been put in place, demonstrating the government's involvement.

- The government has set up a COVID-19 fund for the management of the health response and a national solidarity fund to support businesses and households (including a state contribution of CFAF 50 billion).
- 15 days after the start of containment, on 15 April 2020, the Ministry of Finance and Budget developed and published customs, tax and financial measures¹³ offering numerous tax deferrals as well as a reduction in import and export taxes to provide relief to forestry companies experiencing a decline in activity.
- The Head of State invited financial operators to offer as many new credit facilities as possible, with or without a State guarantee, to enable companies to rebuild their cash flow as soon as possible.
- *"In order to support private companies affected by the effects of COVID-19, the Congolese government intends to reorganise the fiscal and social obligations of companies, many of which have ceased their activities since the entry into force of the state of health emergency declared by the Head of State."*¹⁴
- The government will also have to negotiate with national credit institutions the implementation of moratoria and rescheduling, for the benefit of companies in difficulty, of loans granted before the outbreak of the pandemic," said the President of the Republic in his message, 30 April 2020.
- The free consumption of water and electricity has been put in place for the entire period of containment.
- Assistance to vulnerable people, particularly through the LISUNGI project¹⁵ or exceptional formulas that should allow the identification and assistance of households whose living conditions have been worsened since the appearance of COVID-19.

PROGRESSIVE DECONFINEMENT PLAN

The government has developed a progressive deconfinement plan to limit the risks of social and economic impact due to the restrictions put in place to limit the spread of the epidemic.

"After 46 days of total containment, the National Coordination for the Management of the COVID-19 Pandemic, with a view to balancing the health interests of the Congolese people and the economic and social survival of the Nation, decided, under the very high authority of the President of the Republic, to gradually deconflict the pandemic by stages, at the end of its third meeting held on Thursday, May 14."

The progressive deconfinement plan started on 18 May 2020 and is based on the following principles: vigilance, flexibility and responsiveness.

"Vigilance, first of all, because the progressive and gradual deconfinement must not be an opportunity to slacken our collective efforts to respect barrier measures and the rules of social distancing."

"Flexibility and responsiveness then, because nothing is taken for granted and nothing is set in stone. Thus, the public authorities will not hesitate, if necessary, to reconsider certain progressive deconfinement measures, particularly in the event of a proven and lasting deterioration in the general or local epidemiological situation. Our progress towards a total return to normalcy will therefore depend closely on collective discipline at all times."

The government has defined 2 zones:

- ZONE 1: Brazzaville and Pointe-Noire - high prevalence: restrictive measures have been eased.
- ZONE 2: the ten (10) other departments of the country comprising departments free of infection or very slightly infected: restrictive measures are lifted. Freedom of movement within the localities and the department in which these localities are located will be total. Movement to other infection-free localities will not be restricted.

¹³ ANNEX 6- CONGO - Ministère des Finances - Mesures d'accompagnement des entreprises - 20200415

¹⁴ (AGENCE D'INFORMATION D'AFRIQUE CENTRALE-CONGO by Guy-Gervais Kitina, 2020)

¹⁵ The LISUNGI project is a collaboration between AFD, the World Bank and the Congolese government and is in line with the National Social Action Policy-PNAS. It is a pilot fund designed to provide financial support to 10 000 households in 7 localities in the Pool (Brazzaville), Kouliou (Pointe-Noire) and Cuvette departments. (AFD, 2015-2019)

However, the curfew from 8:00 p.m. to 5:00 a.m. in the morning in force until 31 May 2020, as well as the respect of barrier measures, social distancing measures, and the compulsory wearing of masks in open or closed public spaces concern the entire national territory.

The closure of air, land, river and sea borders, except for cargo aircraft, vehicles and vessels carrying goods, shall be maintained.

The movement of the inhabitants of Brazzaville and Pointe-Noire from one city to another and also to other parts of the country, except in cases of absolute necessity that have been the subject of a mission or service order or the issuance of an exceptional travel certificate by the competent authority, is strictly prohibited.

The resumption of air transport of passengers between Brazzaville and Pointe-Noire is postponed to a later date.

At a time when progressive deconfinement is under way in most African countries, a state of health emergency is still in effect. The challenge is to strike a delicate balance between protecting lives while mitigating economic impacts and continuing to eradicate the spread of the virus.

The negative effects of COVID-19 on the production and trade of forest products essential to sustaining livelihoods call for appropriate measures to enable the forest sector to ensure the social, economic and environmental role of forests on which local people depend.

THE NEEDS

In view of the social and economic impact on the forestry sector, the main measures identified by the companies concern primarily the:

- Temporary leave on employment taxes (e.g. national insurance) (50% of responses);
- Support for staff remuneration or a short-term work programme (30% of responses);
- Deferral of payments in pension schemes (30% of responses);
- Access to low-interest or interest-free loans (25% of responses);
- Support for training and awareness raising on barrier measures as well as the provision of masks, health security supplies for local communities by the government.

While the lessons learned from what has happened in Italy, France, China and other countries are extremely valuable, the response must be tailored¹⁶ to the specificities identified.

Against the COVID-19 crisis, an inclusive strategy that takes into account economic and social constraints is indispensable, especially in a context where companies are confronted with the socio-economic and especially cultural realities of African countries in particular:

- Weak health care system and a lower capacity to provide intensive care than elsewhere;
- The high prevalence;
- Overurbanization and the phenomenon of return to rural areas in times of pandemic;
- The large share of the informal sector;
- The propensity to gather;
- Cultural beliefs.

Just as the assessment of the African market is different from that of the EU, the analysis and impact of the coronavirus epidemic in Africa shows specific constraints, in particular as regards:

- Social distancing;
- In Europe, the time has come to seek a balance between supply and demand. The strategy is to limit exports in order to preserve the internal market;
- In Africa, there is strong competition due to the different species on the market.

Social and economic balance requires the support and commitment of the population.

On the one hand, the commitment of the different communities and the citizens' start up appear to be good ways of setting up a viable preventive mechanism. In this dynamic, the leadership and commitment of young people will be essential. Given the social importance of the religious, the high dignitaries of the associations will have to participate actively in the response to COVID-19 by raising awareness and doing important work leading to a better awareness of the population. On the other hand, given the proximity to local communities in more or less remote areas and the social, economic and environmental role of forests, the involvement of the forestry sector is a determining factor in the fight against the spread of the epidemic.

As a non-exhaustive illustration of the means implemented by the forestry sector¹⁷:

CIB-OLAM has committed 300 million CFA francs (US\$495,000) for relief efforts against COVID-19, including donations of PPE, medical equipment and test kits to clinics, as well as public awareness campaigns:

- **Construction of a quarantine zone** for confirmed cases and reception of suspected cases adjacent to the IBC-OLAM hospitals;
- Training in barrier gestures in all its concessions;
- Setting up an ambulance evacuation plan for confirmed cases in partnership with the town hall and the prefecture;
- Installation of an immunoanalysis system in the laboratory of its clinic and supply of COVID-19 detection kits to carry out large-scale tests on all its employees.

As Vincent Istace, CRS director at CIB, said: *"We have been established for more than 51 years in Northern Congo and we are one with the communities around us. It was therefore clear that our response to the threat was not only for our employees and their families, but also for the entire population and our partners. We believe that this health crisis is further evidence of the link between environment and health and of the importance of investing in health as part of sustainable ecosystem management."*

INTERHOLCO has launched a **Citizen Alliance** campaign allowing:

- The implementation of civic and educational measures for employees and their families in the region in collaboration with government authorities;
- The development of **the state health centre in the village of Ngombé** into a COVID-19 care unit, providing access to water, electricity and equipment such as beds and mattresses; the company's medical centre will continue to serve the population;
- Equipped itself with medical and hygienic equipment: oxygen devices, medicines, flash thermometers soap, masks, gloves and protective clothing;
- Encouraging **local dressmakers to form a cooperative** to meet the local population's need for masks;
- Communication and awareness of barrier measures to the forest residents thanks to the training in local languages and materials given;
- The installation of **a sanitary cordon at the gates of the industrial site**, as well as **the protection of wildlife**.

As Ulrich Grauert, managing director, points out: *"Interholco not only invests but also calls on an additional solidarity fund. We have launched a Citizen's Alliance to increase prevention and mitigation efforts in the northern part of the Republic of Congo. In a remote area, 1,000 km from the capital Brazzaville, our IFO's medical facilities already serve a population of 16,000 people on a daily basis. We need a true «culture of alliance» to combat the spread of COVID-19."*

¹⁶ (LE POINT - AFRIQUE, 2020)

¹⁷ (ATIBT, 2020)

CONCLUSION

The partial shutdown of activities has led to a significant reduction in the workforce with immediate repercussions on the smooth running of activities affecting production capacity in particular.

The implementation of measures to limit the spread of the epidemic in most countries led to slowdowns in the movement of goods (border closures, restricted movements, movements requiring permits, reinforced controls, barrier measures, curfews, business reorganization, etc.).

In spite of the difficulties encountered, so far most companies are responding to demand by relying on the evacuation of stocks in progress.

After a month and a half of confinement, the progressive deconfinement plan should enable companies to gradually return to social and economic equilibrium, although it is still difficult to predict the operation of activities at full capacity and for good reason:

- Employees scattered and often far from their place of work;
- If the number of cases increases, the government does not rule out a return to containment;
- The extension of the state of health emergency until 20 June.

For some companies located in southern Congo, logging activities (especially production) have resumed normally and transport truck traffic is continuing without limitation. And most companies in the North continue to evacuate their products via Cameroon.

The port of Pointe-Noire ensures the fluidity of the entries or exits of ships and the loading or unloading of containers. According to the port's concessionaire, *"Congo Terminal has instituted a service rotation plan for a limited number of staff to ensure continuity of operations at the container terminal. Vessels are thus handled on a daily basis 24 hours a day and containers are delivered on a continuous day from 8:00 am to 3:00 pm."* As a result, while most sawmills are still closed, the risk of disruption to log exports is limited.

The biggest problem at the moment is logistical, especially with regard to the supply of equipment and imports. The main concerns are whether the recovery in demand for tropical timber will be rapid in the post-crisis period.

Despite considerable efforts to contain the pandemic, the number of cases of COVID-19 continues to increase. COVID-19 has disrupted the international timber and forest products value chain, resulting in risks to the forest, the forest sector and forest-dependent livelihoods.

The contributions of the forest sector to broader development goals reflect the crucial role of tropical forests in economic, social and environmental recovery helping to secure the livelihoods on which local people depend.

While this situation calls for appropriate measures to enable the forest sector to guarantee the social, economic and environmental role of forests, it calls on the forest sector to step up its efforts to ensure the legal and sustainable production and consumption of wood throughout the supply chain.

At a time when progressive deconfinement is under way in most African countries, a state of health emergency is still in effect. Deconfinement plans are designed to strike a delicate balance between protecting lives while mitigating economic impacts and continuing to eradicate the spread of the virus.

The [report of the first "PROTECTED AREA EXECUTIVE DIRECTORS Conference"](#), held from 22-23 April 2020, highlights the crucial importance of biodiversity conservation for livelihoods and human life. Mr Kaddu Sebunya, AWF CEO, observed that *"COVID-19 had exposed the many structural weaknesses in Africa's economies, stretching the health delivery systems and other foundational services such as water and food security, and at the same time exposing how critical biodiversity and ecosystems were for the health of humanity and for reducing the likelihood of future pandemics."*¹⁸

¹⁸ (CBFP, 2020)

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ANNEX

[ANNEX 1- SURVEY ON CORONAVIRUS](#)

[ANNEX 2- CONGO - Décret 2020-99 - COVID-19 - Biens et Services-Déplacements - 20200401](#)

[ANNEX 3- CONGO - MEF - Lettre 0027 - Précisions décret 2020-99 - 20200402](#)

[ANNEX 4- ATIBT - Principales données de la filière forêt-bois du bassin du Congo - Actualisation 2020](#)

[ANNEX 5- CTWPDA - China's Hardwood Log and Lumber Import - 20200612](#)

[ANNEX 6- CONGO - Ministère des Finances - Mesures d'accompagnement des entreprises - 20200415](#)