Annual report 2017
On the implementation of the EU-CAR FLEGT-VPA

Central African Republic - European Union

Common efforts to ensure and promote legal timber trade and good stewardship of the forest sector
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## Glossary

<table>
<thead>
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AFD</td>
<td>French Development Agency (Agence française de développement)</td>
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<tr>
<td>AGDRF</td>
<td>Sustainable Management of Forest Resources Agency (Agence pour la gestion durable des ressources forestières)</td>
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<tr>
<td>BIVAC</td>
<td>Bureau Veritas République centrafricaine</td>
</tr>
<tr>
<td>CAS-DF</td>
<td>Earmarked account for forestry development (Compte d’affectation spéciale pour le développement forestier)</td>
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<tr>
<td>CDF</td>
<td>Forest Data Centre (Centre de données forestières)</td>
</tr>
<tr>
<td>CEMAC</td>
<td>Central African Economic and Monetary Community</td>
</tr>
<tr>
<td>CIEDD</td>
<td>Centre for Environmental and Sustainable Development Information (Centre pour l’information environnementale et le développement durable)</td>
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<tr>
<td>COMIFAC</td>
<td>Central African Forest Commission</td>
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<tr>
<td>CNMOS</td>
<td>National Committee for Implementation and Monitoring (Comité national de mise en œuvre et de suivi)</td>
</tr>
<tr>
<td>DFID</td>
<td>UK Department for International Development</td>
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<tr>
<td>EFI</td>
<td>European Forest Institute</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO-EU FLEGT</td>
<td>Food and Agriculture Organization of the United Nations (FAO)-EU Programme on forest law enforcement, governance and trade</td>
</tr>
<tr>
<td>FLEGT</td>
<td>forest law enforcement, governance and trade</td>
</tr>
<tr>
<td>FOB</td>
<td>Free on board</td>
</tr>
<tr>
<td>FOT</td>
<td>Free on truck. Value of timber loaded on a lorry in CAR before being transported to the port of export (Douala or Pointe-Noire). It therefore does not include transport expenses or charges for loading the boat.</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>GDRNE</td>
<td>National NGO platform for sustainable management of natural resources (Plateforme des organisations non gouvernementales nationales pour la gestion durable des ressources naturelles)</td>
</tr>
<tr>
<td>JIC</td>
<td>Joint Implementation Committee</td>
</tr>
<tr>
<td>LAS</td>
<td>Legality Assurance System</td>
</tr>
<tr>
<td>MEFP</td>
<td>Pygmy women and children’s centre (Maison de l’enfant et la femme pygmées)</td>
</tr>
<tr>
<td>OEFB</td>
<td>Economic Observatory of the Timber Sector (Observatoire économique de la filière bois)</td>
</tr>
<tr>
<td>PAO</td>
<td>annual operating plan (Plan annuel d’opération)</td>
</tr>
<tr>
<td>PCBAC-SEAC</td>
<td>Programme for the conservation of biodiversity in Central Africa-Safeguarding the elephants of Central Africa (Programme de conservation de la biodiversité en Afrique centrale-Sauvegarde des éléphants d’Afrique centrale)</td>
</tr>
<tr>
<td>PEA</td>
<td>exploitation and management permit (Permis d’exploitation et d’aménagement)</td>
</tr>
<tr>
<td>REDD+</td>
<td>Reducing emissions from deforestation and forest degradation in developing countries, and the role of conservation, sustainable forest management and enhancement of forest carbon stocks in developing countries</td>
</tr>
<tr>
<td>STP</td>
<td>Permanent Technical Secretariat (Secrétariat technique permanent)</td>
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<tr>
<td>VPA</td>
<td>Voluntary Partnership Agreement</td>
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<tr>
<td>WWF</td>
<td>World Wide Fund for Nature</td>
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Introduction and context

The Central African Republic (CAR), a landlocked country with a surface area of 623 000 km², hosts various ecosystems, including 54 000 km² of dense forests divided into two areas: the forest area of the south-west, covering 38 000 km², and the forest area of the south, which covers 16 000 km². However, only the forest area of the south-west is currently industrially exploited.

Since 2015, 14 exploitation and management permits (PEAs) cover a total surface area of 3 777 938 hectares (ha) (DGEFCP 2016) for 2 565 304 ha of useful, taxable land.

These PEAs were allocated in 2014. It should be mentioned that in two cases, inventory activities were delayed. These 14 PEAs are held by 11 logging companies.
1 Highlights of 2017

1.1 International context

Internationally, the 2017 highlights are:

• finalisation of the Terms of Reference (ToRs) of the various contracts related to the EU funding agreement
• FLEGT week organised in Brussels with the active participation of CAR from 21 to 23 June 2017
• CAR participation in the 2017 United Nations Climate Change Conference (or COP 23) in Bonn, Germany
• CAR participation in the 2017 operational planning workshop of the Central African Forest Commission (COMIFAC) in Sangmélima (Cameroon) from 7 to 9 February 2017

1.2 National progress

The Voluntary Partnership Agreement (VPA), signed between CAR and the EU on 28 November 2011, entered into force on 1 July 2012. It aims to tackle illegal timber exploitation through:

• The improvement of forest governance
• The contribution of the forest sector to economic growth
• The fight against poverty and the creation of jobs in the timber sector

In 2017, the major advances in the implementation of the VPA in CAR included:

**Mandated independent observation**

Independent observation is a monitoring process of forest law enforcement carried out by a third party. The implementation of the VPA in CAR provided an opportunity for civil society to play this role. As a result of several investments, independent observation took the form of mandated independent observation.
Support to the private sector during VPA implementation

WWF carried out a first private sector capacity-building project in 2011, with the help of the FAO-EU FLEGT Programme. It has obtained funding to carry out the project on strengthening the role of the private sector in FLEGT-VPA implementation in CAR for a second time.

Introduction of obligatory clearance certificate

The Forest Ministry introduced an obligatory clearance certificate for all logging companies that export timber.

Operationalisation of the Mobile Inspection Brigade

This operationalisation was carried out with the support of the Programme for the conservation of biodiversity in Central Africa-Safeguarding the elephants of Central Africa (PCBAC-SEAC). The Mobile Inspection Brigade, which controls forest, wildlife and fishing activities, has thus been reinstated in CAR.

Development of a collaborative database

A collaborative database has been established within the VPA Permanent Technical Secretariat (STP), with the support of the FAO-EU FLEGT Programme, which will enable the monitoring of timber movement from all the logging companies, as well as of the related taxes.

Other major events this year

Two technical assistance missions have been carried out by the EU FLEG Facility of the European Forest Institute (EFI) to help the STP to draft and finalise the ToRs of the various contracts linked to the funding agreement between the EU and CAR to implement the VPA.

Four missions led by consultants from the FAO-EU FLEGT Programme helped the STP to develop a website to host useful information from the VPA (annex XI) and develop the collaborative database for monitoring timber.
The Legality Assurance System (LAS) includes the following elements: a definition of legally-produced timber, specifying the laws and texts that must be complied with for licences to be issued; supply chain controls to track timber from the forest to the point of export; verification of compliance with all the elements of the legality definition and that of traceability; licensing procedures and issuance of FLEGT licences; and an independent audit to guarantee that the system is operating as established under the Agreement.

Pending the deployment of the LAS and since May 2005, the company Bureau Veritas Central African Republic (BIVAC RCA) has inspected and traced timber products and collected customs revenues in the sector in order to meet the Government’s requirements. These services have been provided according to the terms of a contract with the Central African Government and in the context of the reform of the Verification Programme for exports of timber products.

2.1 Current situation

The LAS defines protocols guaranteeing that compliance with the legislation listed in annex II of the Agreement is controlled at all stages of the supply chain, as well as the public services responsible for applying these protocols, individually or as a chain (annex V). It foresees the audit of the system by a third party (annex VI), describes how FLEGT licences will be issued and states the information to be published (annex XI).

Pending the deployment of the LAS, verification that the specific tax requirements have been complied with in relation to inspection and traceability of timber products is guaranteed by BIVAC RCA, forest border inspections and the other agencies involved in the LAS.
2.2 LAS Development

2.2.1 Discussions for refining the configuration of the future LAS

Discussions on the development of the LAS have been ongoing since 2016. These discussions continued, focusing on the development of a ‘modular’ approach to the LAS and the need for contracts to be followed-up by a ‘representative of the client’. These discussions have enabled to draw up an inventory of the sector, as well as to draft the ToRs of various contracts for the deployment of the LAS within the EU-CAR funding agreement. The STP received technical support from EFI for this work, which was finalised in December 2017.

2.2.2 Measures taken by the Forest Ministry

Prior to the deployment of the LAS, the STP received the support of the FAO-EU FLEGT Programme to develop a collaborative database system to monitor the movements of timber from logging companies and the issuance of relevant revenue orders. This database will be gradually expanded with the addition of various modules in order to have a data management system that includes all aspects of the LAS. This project could act as a matrix for the future deployment of the LAS.

2.2.3 Public information in the future LAS

The STP received technical and financial support from the FAO-EU FLEGT Programme to develop the website www.apvrca.org. This website hosts the documents listed in annex XI and is continuously populated with new official documents.

This project also resulted in the establishment of a collaborative database, accessible on a local network without internet connection. It enables forest information to be shared with the relevant public services in charge of timber monitoring: the Forests Directorate, the Forest Data Centre (CDF), and the Economic Observatory of the Timber Sector (OEFB).

The Centre for Environmental and Sustainable Development Information (CIEDD), the NGO leading independent observation, publishes the results of its observations on the website www.oi-rca.org and on www.flegt.org.

In 2017, it can be noted that logging companies such as SEFCA and Timberland Industries published information for use by their customers on their own websites.

2.2.4 Independent observers

In 2017, civil society and local communities redoubled their efforts to assist the relevant services of the Ministry in implementing mandated independent observation, under construction since 2016. As part of the project on mandated independent observation, funded by the EU-FAO FLEGT Programme, civil society and local communities sent 13 reports to the competent authority.

Various projects launched in 2015 were continued to increase the credibility and reliability of reports of forest infractions sent by civil society and local communities.

In addition, civil society organisations gathered within the National NGO platform for sustainable management of natural resources (GDRNE) began training an initial intake of independent monitors and performed two trial field missions, with the technical and financial support of the Centre for International Development and Training and CIEDD. The latter two actively took part in discussions on the methods for allocating and managing community forests.

These missions also resulted in mandated independent observation mission reports. These have informed the government and civil society on the status of law implementation in practice, resulting from the mandate granted to NGOs in the context of the implementation of the FLEGT-VPA.
2.2.5 Issuance of FLEGT licences

The VPA provides that all timber and timber products to be exported to the EU have to be covered by a FLEGT licence. The issuance of FLEGT licences is based on the performance, in the context of the LAS, of checks by the public services of the legality of logging companies and periodic checks on their activities on-site.

At the end of 2017, the issue of FLEGT licences remains a major commitment, as established during the third session of the Joint Implementation Committee (JIC) of December 2016. The year 2017 saw significant advances, such as the finalisation of the ToRs for various contracts related to the LAS, numerous legal reforms updating the context of the Forest Ministry action (see section 3.2), cooperation with mandated independent observation and a constructive dialogue with donors (World Bank, EU).

FLEGT licences for each shipment of timber or timber products intended for the EU will be issued when the LAS is fully operational after the deployment of the software.
A licensing scheme on forest law enforcement, governance and trade (FLEGT licensing scheme) was established between the EU and CAR. This scheme establishes a set of procedures and requirements that aim to verify and confirm, through FLEGT licences, that the timber and derived products exported to the EU have been produced or purchased legally.

A definition of legally-produced or purchased timber is contained in annex II to the VPA. This annex lists the national laws and regulations of CAR that must be complied with for the timber and derived products to be covered by a FLEGT licence. This definition includes specific principles, criteria, indicators and verifiers, acting as proof of compliance with the laws and regulations, compiled in a legality grid.

### 3.1 Regulatory progress

Some complementary legal instruments drafted in 2016 were signed. These were drafted by the consultant with the support of WWF-CAR, together with the focal points of the ministries involved. Others still need to be signed or validated. The forest code will be revised further to the amendments made to the VPA’s legality grids.

### 3.2 Short-term reforms

Several legal instruments were adopted in 2017, supporting the implementation of the VPA. Several forest governance structures were thereby created. These instruments are:

- Law n°17.016 of 24 April 2017, on the creation of the Forest development fund
- Decree n°17.162 of 27 April 2017, on the organisation and operation of the Permanent Technical Secretariat for VPA implementation in the Central African Republic
- Decree n°17.117 of 24 March 2017, on the organisation and operation of the Forest Data Centre
- Decree n°17.079 of 1 March 2017, on the organisation and operation of the OEFB in the Central African Republic
- Decree n°17.256 of 2 August 2017, on the creation, organisation and operation of the unit responsible for implementing and verifying FLEGT licence documents in the Central African Republic

Photo: Timberland
3.3 Mid-term reforms

The drafting of the legal instruments on crops compensation began in 2016. They remain outstanding at the Ministry of Agriculture and Rural Development.

This is also the case for the legal instruments on plantation forests (specifications relating to plantations) for plantations greater than 50 ha, the definition of contractual relations between an individual or a group and a logging company, as well as the review of the legal instrument on the PEA allocation commission, that are outstanding at the office of the Minister of Water Resources, Forests, Hunting and Fisheries.
The LAS, which is scheduled to be developed under annex V of the VPA, is not yet operational. Nevertheless, two measures adopted in 2017 by the Forest Ministry, namely the obligatory introduction of a clearance certificate and checks carried out by the Mobile Inspection Brigade, make significant contributions to documenting the legality of timber produced in CAR. These measures strengthen the securing of export revenues, which is ensured by BIVAC.
Institutional capacity building

The approach taken to forest governance in CAR with the emergence of the VPA calls for a new approach. New knowledge and skills are required for its implementation.

The STP has developed a collaborative database as part of the first phase of the project supporting the relaunch of the FLEGT process in CAR, which was carried out between September 2016 and May 2017. This project contributed to building the capacity of 11 officials from the Forest Ministry that are involved in the LAS. Over two sessions that took place in 2017, the participating officials were trained to use the database on the movement of timber, with the secure issuing of revenue orders and the option to generate requests to obtain various taxes.

Prior to the deployment of the collaborative database, 12 civil society monitors responsible for independent forest monitoring, of which half were women, were trained in 2017. In addition, civil servants and representatives from civil society organisations were also trained by the Pygmy women and children’s centre (MEFP) on community forests allocation procedures.

5.1 Civil society capacity building

In 2017, CIEDD, through the project ‘Support for the implementation of the strategy on independent observation by civil society in CAR’, funded by the FAO-EU FLEGT Programme, facilitated the signing of a memorandum of understanding between the civil society platform and the Forest Ministry. This memorandum will enable civil society to implement independent observation of forest activities in CAR. CIEDD has thus trained 12 independent monitors and three agents from the Mobile Inspection Brigade on independent observation techniques under the FLEGT scheme and organised three joint mandated independent observation missions. These enabled the on-site visit of seven PEAs out of the 14 existing in the south-west forest area.
The missions encouraged the provision of technical advice sessions. These sessions promoted low-impact logging, raised awareness among operators of the importance of legal compliance, and paved the way for the LAS through relevant comments on non-compliance.

A multi-party committee for proofreading the mandated independent observation reports was established to validate the field reports produced by the observers. This proofreading committee is presided by the Prime Minister’s Office.

These reports are published on the CIEDD website at www.oï-rca.org and on www.flegt.org. For more information, please write to mathamale05@yahoo.fr and jzeneth@oi-rca.org.

In the context of the implementation of the project ‘Cooperation of NGOs in favour of equitable and sustainable community means of subsistence in the forests of the Congo basin’, funded by the UK Department for International Development (DFID), CIEDD carried out an analysis of existing opportunities relating to policies and governance in relation to the VPA and REDD+ to monitor the implementation of community forests.

The community forests allocation processes undertaken by this NGO consortium enabled the successful implementation by the Ministry of Water Resources, Forests, Hunting and Fisheries of a Technical committee responsible for examining the feasibility of these forests in the south-west forest mass of the CAR, dedicated to production.

The Committee met on 29 December 2017. It adopted a favourable technical opinion for the allocation of community forest pilot sites in the south-west forest area.

In 2011, WWF-CAR carried out a project titled ‘Building capacity of the private sector in preparation for VPA implementation’ with FAO’s financial support. This project enabled internal auditors to be trained within logging companies, including Centra-Bois, IFB, SCAD, SEFCA, VICA, SOFOKAD and TCA. Some companies (IFB and SEFCA) also carried out test compliance audits and produced compliance plans.

The recommendations formulated by the training recipients and the consultant led the FAO-EU FLEGT Programme to approve the pursuance of the initiative. This involved implementing the project on strengthening the role of the private sector in the implementation of the VPA-FLEGT in CAR. The project aims to encourage the participation of the private sector in VPA processes (post-crisis context). More specifically, the project aims at improving the compliance of logging companies with the requirements of the FLEGT-VPA in CAR by building the capacity of their technical personnel, conducting internal audits and evaluating the necessary investments for environmental compliance.

This project began in November 2017 for a duration of 15 months (see project list in annex).
5.2 Private sector

The forestry sector is still struggling to rebuild the capital it lost following the 2013-2015 crisis. However, some companies operate using, for example, a certification approach (see 5.6) by carrying out environmental and social impact assessments (see 5.3.2), or by developing a website. During 2017, the private sector took part in all the activities of the Agreement organised by the Government or civil society. The company IFB organised internal information and awareness campaigns on the relaunch of the Agreement’s implementation process.

5.3 Public services linked to the forest sector

5.3.1 Forest Ministry, agencies and organisations under its supervision

Modification of titles and privileges

The Ministry of Environment, Sustainable Development, Water Resources, Forests, Hunting and Fisheries underwent an overhaul on 12 September 2017. This overhaul led to the constitution of a new ministry by the Directorate Generals for the environment and sustainable development.

A new era began with the appointment of Lambert LISSANE MOUKOVE as the Head of the new Ministry of Water Resources, Forests, Hunting and Fisheries.

¹ Study report on the losses recorded by logging companies during the 2013-2015 crisis (AfDB 2015).
Introduction of clearance certificate

During the crisis that hit the country, a number of logging companies did not pay the taxes established by law. As a result, the Forest Ministry adopted Decision nº 005 of 1 February 2017, which established an obligatory clearance certificate for exports of forestry products. This certificate is issued by the Directorate of Water Resources, Forests, Hunting and Fisheries. The issuance of this clearance certificate is conditional on the submission of proof of effective payment of the revenue orders from the third month prior to the month when the forestry taxes were payable. This clearance certificate exclusively relates to the logging and reforestation taxes owed to the Forest development fund at the Sustainable Management of Forest Resources Agency (AGDRF) as well as to the local governments. For this purpose, any lorry whose E101 document (transport document) was produced during the valid period of this clearance certificate will be authorised for export.

This measure has unlocked the issue of non-payment of revenue orders. The non-submission of clearance certificates at the check points exposes the logging company to the prohibition to export their timber products outside the country.

Issue of teak operating licences

During 2017, five teak operating licences were issued to companies. These companies tour the country in search of teak tree roots generally produced on small private plantations. The presence of Asian companies can be highlighted.

Forest monitoring

Through Decision nº 010/MEDDEFCP/DIRCAB of 7 March 2017, the Forest Minister established the Mobile Inspection Brigade for forest, wildlife and fishing operations in the Central African Republic. The Brigade aims to combat illegal logging, wildlife and fishing operations throughout the country. This initiative was made possible thanks to the PCBAC-SEAC donating three 4X4 vehicles to the Ministry to combat illegal artisan logging. This activity has mushroomed with the latest political-military crisis to hit the country and is carried out in the PEAs of the Lobaye and Ombella-MPoko regions.

After nine months of regular missions, the results of the Mobile Inspection Brigade underline the scale of the illegal activities, as illustrated in the following table on timber seizures:

<table>
<thead>
<tr>
<th>N°</th>
<th>Type of sawn timber</th>
<th>Size</th>
<th>Quantity</th>
<th>UNIT PRICE (FCFA)</th>
<th>TOTAL PRICE (FCFA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>White wood</td>
<td>8 x 16 x 6 m</td>
<td>1 933</td>
<td>3 000</td>
<td>5 799 000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x 30 x 6 m</td>
<td>2 842</td>
<td>2 000</td>
<td>5 684 000</td>
</tr>
<tr>
<td>2</td>
<td>Red wood</td>
<td>8 x 16 x 6 m</td>
<td>1 285</td>
<td>4 000</td>
<td>5 140 000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x 30 x 6 m</td>
<td>165</td>
<td>2 500</td>
<td>412 500</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>6 225</td>
<td></td>
<td>17 035 500</td>
</tr>
</tbody>
</table>

Source: MEFCP/Mobile Inspection Brigade, 2017

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CAR, stakeholder of the FLEGT-VPA, took part in FLEGT week 2017 on ‘the fight against illegal logging and deforestation: progress made and possible future actions’, which took place at the headquarters of the European Commission from 21 to 23 June 2017 in Brussels.

The delegation was led by Yves YALIBANDA, Head of the cabinet of the Forest Ministry. It also included two experts from the VPA’s STP and from the civil society platform.

Transport and accommodation costs were covered by the European Commission. In addition, through the mediation of WWF-RCA, the two Forest Ministry representatives received financial support to cover their daily expenses.

FLEGT Week 2017 took place in two stages:
1. The plenary and break out sessions addressed: (i) the EU Action Plan and the EU Timber Regulation; (ii) deforestation and conversion forests; and (iii) the LAS.
2. A side event was held on 22 June 2017. It provided an opportunity for the EU to reaffirm its political commitment to make the funding agreement (signed in 2012) immediately available. The Central African Government committed to presenting a brief overview of the technical specifications of the construction project supporting the LAS; and to provide information on the powers of officials and agents of the local structures neighbouring the PEAs. Both parties exchanged information on the various technical and financial partners participating in the forest sector in CAR, in particular the World Bank, the AFD and the FAO-EU FLEGT Programme.

CAR, which is party to the United Nations Framework Convention on Climate Change, attended COP 23, held in Bonn. The main areas of interest to CAR are:
- The ratification of the Doha Amendment to the Kyoto Protocol
- The ratification procedure for these international legal instruments
- CAR’s commitment to participate in the preparatory works and in COP 24 in Poland

On the sidelines of COP 23, CAR participated in a side-event on the Kigali Amendment to the Montreal Protocol on hydrofluorocarbons. CAR calls for the ratification of this Amendment.

In this context, CAR’s commitments are:
- To be involved in the ongoing operationalisation of the Congo Basin Climate Commission and of the Congo Basin Blue Fund by making major decisions, such as the development of an appropriate strategy for mobilising funding to ensure that all countries regularly pay their equal contributions. The inclusion of Angola as a new member should be a priority
- To accelerate the study for drafting the Operations Plan of the COMIFAC Convergence Plan 2 in order to give the sub-region an operational framework to be better able to allocate responsibilities for its implementation
- To ensure a better capitalisation of lessons learned from projects and programmes implemented by COMIFAC’s partners that report directly to Convergence Plan 2

EFI helped the STP to draft the ToRs for various contracts for the EU-CAR grant agreement signed in December 2012 and suspended during the crisis. The four missions carried out for this purpose in 2017 allowed the ToRs to be finalised and enabled them to be validated by the National Committee for Implementation and Monitoring (CNMOS) and the JIC.
Sustainable Management of Forest Resources Agency (AGDRF)

The Agency aims to advise and support the Forest Ministry in the definition and implementation of its forest policy. In addition, it advises and monitors logging companies to encourage a sustainable and integrated management of forest resources. In 2017, it carried out an inventory of SCAD’s activities, a company that has lost momentum during the last five-year plan.

In relation to assisting in drafting the management plans for the new PEAs, the pre-stratification of the permit of the Société de Transformation de Bois en Centrafrique (STBCA) (PEA 189) was carried out, as well as the pre-inventory works. In addition, the inventory works of PEA 188 of Timberland, PEA 190 of the Société Industrielle des Forêts Centrafricaines et d’Aménagement (SINFOCAM), and of batch B of PEA 192 of Centra-Bois were finalised.

It should also be noted that the revision of the management plan of the SEFCA (PEAs 174 and 183) is close to be finalised.

The Agency contributed to validating the management documents of the logging companies, such as the annual operating plans (PAO) of the annual allowable cuts of PEAs 165 and 186 of the IFB. It also examined the PAO of the annual allowable cuts of PEA 184 of VICA and of PEA 164 of TCA.

Forest Data Centre (CDF)

This technical office of the Ministry is responsible for collecting, centralising and processing forest data, and for producing and publishing statistical information on forest resources, wildlife and fisheries that is reliable and up to date. The Centre also compiles data on production, exportation and quantification of revenues generated for the benefit of users and consumers.

In addition, the Centre is responsible for the collection, management and archiving of information necessary for issuing FLEGT-VPA licences and for uploading information online on the legality and traceability of timber under the FLEGT-VPA. Ultimately, it contributes to the monitoring and inspection of forestry, hunting and wildlife activities, as well as the implementation of forest permits management plans in collaboration with the AGDRF.

These duties are defined by new Decree n°17.117 of 24 March 2017, on the organisation and operation of the Forest Data Centre.

Decree n°17.141 of 19 April 2017 relates to the nomination or confirmation of officials of the Centre. The CDF produced statistics during 2017, as well as the 2016 yearbook of forest and hunting sector statistics.

The lack of appropriate IT tools for combining the geographic and statistical data, and the dilapidated state of those that exist, hinder the carrying out of analyses, simulations, operating plans, and tax and economic forecasts, that are nevertheless crucial for the decision makers.
Economic observatory of the timber sector (OEFB)

The Observatory is under the responsibility of the Forest Ministry. It was reformed by Decree n° 17.079 of 1 March 2017 and attached to the Cabinet as a tool for economic data on the timber sector and to support decisions enabling the implementation of management plans and the good governance of forest resources. Its duties are to collect, process and analyse the basic environment, forest, economic and accounting data to produce relevant information for evaluating the real contribution of the timber industry to the national economy.

In 2017, the Observatory produced technical notes to support the revision of market values and FOT. In addition, it published a summary note on the timber and wildlife industry in CAR. The Observatory greatly contributed to the following reports: ‘Inventory of the tax situation of companies in the CAR timber industry’, and ‘Study of the cost of transport for export and tax regime of timber products from CAR’.

Forestry Development Fund (FDF)

Previously called the earmarked account for forestry development (CAS-DF), the Forestry Development Fund (FDF) was created by Law n° 17.016 of 24 April 2017. This is a public body of an administrative nature, with legal personality and financial autonomy. The FDF aims to fund: (i) development and research programmes in the forest, wildlife and fishing sectors; (ii) programmes/projects counterparts; (iii) commitments undertaken with sub-regional and international organisms corresponding to national contributions on behalf of the forest sector. It can be noted that the lack of response from the Fund hinders forest inspection missions.

South-West Regional Development Project (PDRSO)

This Project prolongs and expands on the approach of the PARPAF (2000-2011). It includes three executable stages in four years (2016-2020).

In 2017, in the context of supporting the forest public services (AGDRF and MEFCP), it consisted of providing technical and physical assistance to the AGDRF to make this Agency visible again. It should also be noted that it supported the management process of the three permits granted during 2014-2015, as well as the piloting of the review of the management plan for certain permits, in collaboration with AGDRF. Therefore, six companies were affected by the drafting or revision of a management plan.
The REDD+ section on FFEM funding, intended for defining and implementing actions aimed at limiting agricultural pressure on the forest and measuring its impact, focuses on the Eastern part of the forest area (PEAs 165, 186 and 192), in the zone that is exposed to deforestation driven by agriculture and supplying the city of Bangui. In 2017, the map of the evolution of deforestation in these PEAs of the IFB and Centra-Bois was updated. In addition, REDD+ made significant progress in the research and study tasks required to carry out a detailed assessment of land uses by rural populations, production systems and their efficiency, levels and causes of forest degradation, and the fuel wood sector. The overall assessment should be published at the end of the first quarter of 2018. It should provide a starting point for defining the necessary technical and operational actions to adopt suitable strategies for limiting deforestation in forest plots close to Bangui.

5.3.2 Other public services involved in the VPA

To implement the provisions of the FLEGT-VPA, in 2017 the Ministry of the Environment and Sustainable Development carried out an environmental study of PEA 188 (Timberland Industrie). The environmental compliance certificate was issued after the completion of the company’s environmental and social impact assessment. The company CENTRA-BOIS (PEA 192) carried out its environmental and social impact assessment. An environmental audit was also launched regarding SEFCA (PEAs 174, 183), SINFOCAM (PEA 190), and ROUGIER SANGHA-MBAERE (PEA 191). According to the provisions of the 2008 forest code, all the CAR logging companies must obtain an environmental compliance certificate. However, only five currently comply with this requirement.

5.4 Institutional Structures of the VPA

Joint Implementation Committee (JIC)

This Committee, established under Article 19 of the Agreement, is an institutional mechanism that aims to make the process transparent. It provides a space for dialogue between the two parties and for monitoring the implementation of the Agreement on a political level. The Central African part of this committee met on 3 August 2017 to validate the ToRs of the various grant contracts and to assess the development of the next stages for implementing the Agreement.

It is worth noting that after changes in management that occurred both at the EU Delegation and at the Forest Ministry, the JIC meeting scheduled for the month of November 2017 was postponed to February 2018.

National Committee for Implementation and Monitoring (CNMOS)

The CNMOS, governed by Article 16 of the Agreement, is constituted solely of national representatives of the bodies involved in the implementation of the Agreement.

This Committee met on 30 August 2017 to help consolidate the ToRs of the grant contracts. In addition, it examined and validated the 2016 annual report.

Permanent Technical Secretariat (STP)

The STP is part of the Ministry of Water Resources, Forests, Hunting and Fisheries. It is responsible for coordinating the implementation and monitoring of the Agreement. It ensures the interface between the technical services of the Ministry and all the other actors involved in implementing the Agreement on one hand, and the EU on the other. The STP is attached to the Minister’s cabinet according to Article 1 of Decree nº 17.162 of 27 April 2017 on the organisation and operation of the STP for the implementation of the VPA in CAR. Two study leaders assist the STP on the subjects of legality and traceability. The STP is also supported by an administrative and financial assistant.
With funding from the FAO-EU FLEGT Programme for implementing the project ‘Support for the relaunch of the FLEGT process in CAR,’ which took place from September 2016 to May 2017, the STP developed a collaborative database enabling the monitoring of the movement of timber from all logging companies, as well as the relevant taxes. This database enables the use of a database management system, which is necessary for the deployment of the LAS.

This project received technical support by means of four missions led by the FAO’s technical assistant in new information technologies, which strengthened the capacity of Ministry officials in encoding and launching various queries.

At its headquarters, the STP created and manages a website, allowing it to publish information on forest governance in accordance with annex XI of the Agreement.

The STP effectively contributed to writing the ToRs of the various contracts related to the funding agreement suspended since 2016.

**Unit responsible for implementing and verifying FLEGT licences**

This unit was established by Decree nº 17.256 of 2 August 2017.

It aims to monitor the application of standards and procedures as part of the Agreement’s implementation, to receive and process all the FLEGT licence applications from logging companies, and to issue technical opinions on their compliance to the FLEGT licensing authority.

It is divided into border inspections located on the border exits and a verification office at the port of Douala.

It has a mixed Mobile Brigade for intervention, verification and inspection comprising forest and water resource agents, customs, tax and police officers. The role of the Brigade is to monitor that the provisions of the contracts (both provisional and definitive) are being applied by the logging companies.

The creation of this unit constitutes a milestone in the development of the LAS, a necessary stage for issuing future FLEGT licences.

### 5.5 Funding arrangements for VPA implementation

In 2017, VPA implementation by the parties received EU funding through the FAO-EU FLEGT Programme.

With a view to relaunch the FLEGT process in CAR, since 2016 and in 2017, the STP received this support for publishing information according to annex XI of the Agreement and the development of a collaborative database application on the movement of timber (see the list of projects in annex). CIEDD implemented the mandated independent observation project with the support of the same Programme (see the list of projects in annex).

Civil society organisations received financial support from development partners.

In the context of the CoNGOs project ‘Cooperation of NGOs in favour of equitable and sustainable community means of subsistence in the forests of the Congo basin’, funded by DFID, CIEDD carried out an analysis of existing opportunities relating to policies and governance linked to the VPA and REDD+ to monitor the implementation of community forests.

Similarly, WWF-CAR obtained a second stage for its project on ‘strengthening the role of the private sector in the implementation of the VPA in CAR’ (see the list of projects in annex).

The funding agreement signed between the EU and CAR in 2012 and suspended following the political-military crisis is in the process of being reinitiated after the drafting of the ToRs of the various corresponding contracts.
5.6 Synergy among FLEGT, REDD+ and certification

A surveillance system for the forest management activities of PEs 189 and 190 of STBCA and SINFOCAM, located in the Dzanga-Sangha Special Reserve has been established. This system aims to reassure the donors and the relevant oversight ministries that the companies respect the provisional contracts and that the negative impact of logging activities on biological diversity in the protected areas of Dzanga-Sangha is reduced to a minimum. The key criteria and indicators for this management surveillance system were drafted in a participative manner. They were validated during a workshop with the relevant partners. This surveillance system brings transparency to the development of management plans or certifications, and leads to a reduction of cases of non-compliance.

It was initiated by the Programme for the promotion of certified forest operation (PPECF), funded by the German cooperation (KfW). The APDS (Protected areas of Dzanga Sangha) then took over from the PPECF, which concluded in 2016, by relaunching surveillance in 2017.

The synergy between REDD+ and FLEGT was strengthened with the signing by the Central African Government and the World Bank of a grant agreement. The grant was signed on 20 April 2017 in Washington. It is linked to the Central African Forests Initiative (CAFI) and aims to establish an investment framework in the forest sector. This grant will facilitate the development and implementation of a comprehensive and multi-sector national investment framework for REDD+. This framework completes the REDD+ national strategy and aims to identify the funding priorities and associated budgets to address deforestation and forest degradation.

5.7 Stakeholders engagement

Since CAR started negotiating the Agreement and during its implementation, it has favoured an inclusive approach. Therefore, all the actors of the forest sector, including the public services, the private sector and civil society, are involved in the process. Their collaboration is based on dialogue and consensus. The two institutional structures of the VPA, the CNMOS and the JIC, bring all these actors together.

The engagement of civil society is based on the GDRNE platform, which gathers a large number of Central African NGOs that are active in the forest sector. This participation is also observed through the action of independent observation. On 6 March 2017, the GDRNE and the Forest Ministry signed a memorandum of understanding for the implementation of independent observation, carried out by the NGO CIEDD.

It is worth noting that the representatives of Indigenous Peoples and local communities sit on the institutional bodies of the VPA.

All the Central African forest concessions are engaged in a management process, and therefore participate in the VPA implementation process through their representatives.

The participation of all these actors in the VPA process has contributed to generating trust and transparency in forest management.
Article 21 and annex XI of the FLEGT-VPA highlight the importance of informing all the stakeholders involved in the forest sector. The STP has begun to upload useful VPA information onto its website www.apvrca.org.

With a view to updating the funding agreement established for implementing the Agreement, regular meetings have been organised to allow the VPA implementation and monitoring bodies to meet to discuss this topic. The meetings also ensured good comprehension and involvement of the various actors.

The EU FLEGT Facility supports the implementation of the EU FLEGT Action Plan and is hosted by EFI. In 2017, it published an article on the collaboration of CIEED with the Forest Ministry in the context of mandated independent observation.³

6.1 Promotion of verified legal timber

The definition of the promotion of verified legal timber will be put in place upon the effective deployment of the LAS.

The efforts made in 2017 to restore the authority of the State are contributing to the improvement and promotion of legal timber.

6.2 National communication efforts related to the FLEGT-VPA

The STP aims to initiate and carry out public awareness programmes on the main elements of the VPA and on the progress status of the Agreement’s implementation. The STP has taken several actions:

- The organisation of two meetings of the representatives of local partners to draft a roadmap for the relaunch of the VPA
- The collection, archiving and publication on www.apvca.org of the documents listed in annex XI of the VPA
- The establishment of a data management system to aid collaboration with the other structures
- Awareness raising of stakeholders and the STP’s visibility

6.3 Information communicated to the public and stakeholders

The FLEGT Action Plan is not imposed by the EU but timber-producing countries can decide to participate in it to combat illegal logging and associated trade. In addition, other pieces of information in relation to community forests have been communicated. Although legal provisions have been adopted in relation to community forests, no community forest has yet been allocated. Informal forest activities are an increasing concern and put the forest in danger.

With the implementation of the FAO-EU FLEGT project, the information communicated to the private sector has been on the movement of timber using the standardised form made available to them by the forest administration to avoid group data declarations for the annual allowable cuts and the forest management unit.

6.4 Reports and studies

The following reports and studies produced in 2017 are available:

- Aide-mémoire of the third session of the JIC
- Annual reports of activities to implement the Agreement
- Reports and records from CNMOS meetings
- Mission reports of the EU technical support
- Mission reports of the various FAO monitoring consultants
- 2016 report on the forest timber sector
- Reports on civil society independent observation
- Notes on the economic conditions of the forest sector produced by the OEFB
- Yearbook of forest statistics
- Inventory report on the tax situation of companies in the CAR timber industry
- Financial and technical diagnostic report of the industrial timber sector in CAR
- Research report of the cost of transport for export and taxation of timber products from CAR
6.5 Monitoring

In accordance with Article 19 of the VPA, the parties established a JIC to ensure the VPA is monitored and evaluated. The JIC meets at least once per year.

The JIC’s mandate is to facilitate the monitoring of all aspects of the Agreement. This Committee is a flexible body that must meet periodically to ask relevant questions on progress, reflect on issues and challenges, and propose alternatives, adequate solutions and support measures.

The issues it deals with relate to the legal instruments and their implementation, the development and operationalisation of the LAS, and the technical and physical capacities of the actors and stakeholders involved.

In 2017, JIC members were regularly consulted by the EFI Technical Assistance on the drafting of the ToRs, in particular on the LAS and of the ‘client representative’ contract.

The JIC did not meet in 2017. However, the two parties continued to work on finalising the ToRs for various contracts foreseen under the funding agreement. A JIC meeting is expected to be held early 2018.

6.6 Prospects

As part of the implementation of the EU-CAR funding agreement, the STP, in collaboration with all stakeholders, will work on finalising the ToRs for various service contracts, drafting the amendment and procurement documents, drafting tender documents and launching tenders.

To relaunch the VPA process in CAR, the central database on traceability and legality has been put into place. It should be protected, secured and improved. This database could potentially be expanded to the system for collecting and sharing data on a decentralised level.

For other activities in relation to deploying the VPA, the prospects of the other stakeholders are:

- The implementation by WWF of the project on strengthening the role of the private sector during the implementation of the FLEGT-VPA in CAR, with funding from the FAO-EU FLEGT Programme
- The continuation by civil society to carry out independent observation
- The update of the 2018 workplan
- The creation of an industry cluster linked to natural resources, excluding mines
Monitoring timber trade in 2017

7.1 Status of exploitation permits in force

In light of table 1 below, it is worth recalling that only the south-west forest area is exploited. An area’s exploitation permit is a PEA, which grants exploitation rights to the concessionary. The latter should have industrial means and comply with the national laws and regulations related to forest exploitation, as well as the provisions of the management contract that the company signed with the Forest Ministry.

In 2017, there were 14 PEs allocated to 11 companies, of which nine were operational and five were dormant.
<table>
<thead>
<tr>
<th>#</th>
<th>PEA</th>
<th>Company</th>
<th>Total surface area (ha)</th>
<th>Useful surface area (ha)</th>
<th>Date of allocation</th>
<th>Active area</th>
<th>2017 status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>164</td>
<td>THANRY</td>
<td>228 000</td>
<td>202 228</td>
<td>1990</td>
<td>Bamba (Sangha-M'baéré)</td>
<td>o</td>
</tr>
<tr>
<td>2</td>
<td>165</td>
<td>IFB</td>
<td>207 580</td>
<td>89 284</td>
<td>1994</td>
<td>Batalimo (Lobaye)</td>
<td>o</td>
</tr>
<tr>
<td>3</td>
<td>169</td>
<td>IFB</td>
<td>195 500</td>
<td>137 585</td>
<td>1996</td>
<td>Ngotto (Lobaye)</td>
<td>d</td>
</tr>
<tr>
<td>4</td>
<td>171</td>
<td>SCAD</td>
<td>473 088</td>
<td>333 692</td>
<td>1996</td>
<td>Loko (Lobaye)</td>
<td>d</td>
</tr>
<tr>
<td>5</td>
<td>174</td>
<td>SEFCA</td>
<td>396 303</td>
<td>335 031</td>
<td>1998</td>
<td>Mambele (Sangha-M'baéré)</td>
<td>o</td>
</tr>
<tr>
<td>6</td>
<td>175</td>
<td>SOFOKAD</td>
<td>190 943</td>
<td>79 352</td>
<td>1999</td>
<td>Sosso-Nakombo (Mambéré-Kadéi)</td>
<td>d</td>
</tr>
<tr>
<td>7</td>
<td>184</td>
<td>VICA</td>
<td>387 811</td>
<td>201 932</td>
<td>2004</td>
<td>Nazembe (Mambéré-Kadéi)</td>
<td>o</td>
</tr>
<tr>
<td>8</td>
<td>183</td>
<td>SEFCA</td>
<td>326 048</td>
<td>241 860</td>
<td>2007</td>
<td>Mbaéré (Mambéré-Kadéi)</td>
<td>o</td>
</tr>
<tr>
<td>9</td>
<td>186</td>
<td>IFB</td>
<td>216 970</td>
<td>62 122</td>
<td>2007</td>
<td>Lesse (Lobaye)</td>
<td>d</td>
</tr>
<tr>
<td>10</td>
<td>188</td>
<td>Timberland Ind.</td>
<td>228 339</td>
<td>204 695</td>
<td>2014</td>
<td>Batouri (Mambéré-Kadéi)</td>
<td>o</td>
</tr>
<tr>
<td>11</td>
<td>189</td>
<td>STBCA</td>
<td>211 131</td>
<td>192 033</td>
<td>2014</td>
<td>Nola (Sangha-M'baéré)</td>
<td>o</td>
</tr>
<tr>
<td>12</td>
<td>190</td>
<td>SINFOCAM</td>
<td>234 646</td>
<td>192 986</td>
<td>2014</td>
<td>Bayanga (Sangha-M'baéré)</td>
<td>o</td>
</tr>
<tr>
<td>13</td>
<td>191</td>
<td>ROUGIER</td>
<td>269 417</td>
<td>203 657</td>
<td>2015</td>
<td>(Sangha-M'baéré)</td>
<td>d</td>
</tr>
<tr>
<td>14</td>
<td>192</td>
<td>Centra-Bois</td>
<td>156 531</td>
<td>88 547</td>
<td>2015</td>
<td>Bimbo (Ombela-M'poko)</td>
<td>o</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>372 2307</td>
<td>2 565 004</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The dormant PEAs are the following: IFB Lessè 186, IFB Ngotto 169, SCAD 171, SOFOKAD 175 and Rougier Sangha-Mbaéré 191. The first four became dormant before the 2013 crisis. The last one has never been operational. Reminders of the applicable legal provisions on this matter were sent to these companies.
7.2 Monthly development of roundwood exports

Roundwood production for export increased. This trend is explained by the fact that less processing took place in 2017, as only three processing facilities were operational.

Although the law provides that 70% of the timber from the PEA must be processed, this rate has not been reached. The disrepair of the facilities and collateral effects of the crisis negatively affected this processing.

Figure 1. Monthly development of roundwood exports in 2017 (Source: OEFB/CDF)

7.3 Monthly development of sawn timber exports

Sawn timber exports varied but saw a marked decline. Local processing is insignificant due to the disrepair of the processing machines and the inadequacy of the investment plans.

Figure 2. Monthly development of sawn timber exports in 2017 (Source: OEFB/CDF)
### 7.4 Analysis of production and exports from 2016 to 2017

The production of roundwood increased by 28%. On the other hand, that of sawn timber declined by 20%. Roundwood exports increased by 48%, whereas those of sawn timber decreased by 33% from 2016 to 2017. These changes may be explained by the improvement of the country’s security status from 2017 onwards, the resuming of PEA activities that were not exploited during the political-military crises, newly allocated permits that started to produce, and the growth in international timber demand.

Table 2. Comparative analysis of production, exports and local sale (2016-2017)
(Source: CDF/OEFB 2017)

<table>
<thead>
<tr>
<th>Production</th>
<th>2016</th>
<th>2017</th>
<th>Difference in value</th>
<th>% difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roundwood</td>
<td>418 250</td>
<td>536 713</td>
<td>118 462</td>
<td>28</td>
</tr>
<tr>
<td>Sawn timber</td>
<td>32 438</td>
<td>25 937</td>
<td>-6 701</td>
<td>-20</td>
</tr>
<tr>
<td>Plywood</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exports</th>
<th>2016</th>
<th>2017</th>
<th>Difference in value</th>
<th>% difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roundwood</td>
<td>184 801</td>
<td>273 148</td>
<td>88 347</td>
<td>48</td>
</tr>
<tr>
<td>Sawn timber outside CEMAC</td>
<td>30 768</td>
<td>20 632</td>
<td>-10 136</td>
<td>-33</td>
</tr>
<tr>
<td>Sawn timber within CEMAC</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total sawn timber</td>
<td>30 738</td>
<td>20 632</td>
<td>-10 136</td>
<td>-33</td>
</tr>
<tr>
<td>Plywood</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

The fall in the production of sawn timber once more confirms the non-compliance with the legal obligation to process 70% of the timber production. Actions to reverse this trend are planned.
7.5 Development of macroeconomic aggregates of the forest sector

The forest sector’s contribution to GDP increased, from 1.5% in 2016 to 1.7% in 2017, reflecting to the sector’s good performance.

Table 3. Changes in the added-value of the forest sector in millions of FCFA (Source: ICASEES 2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total GDP</td>
<td>836 101</td>
<td>889 126</td>
<td>968 932</td>
<td>980 663</td>
</tr>
<tr>
<td>Forests</td>
<td>20 960</td>
<td>12 750</td>
<td>14 889</td>
<td>17 154</td>
</tr>
<tr>
<td>Forest sector’s contribution to total GDP</td>
<td>2,5</td>
<td>1,4</td>
<td>1,5</td>
<td>1,7</td>
</tr>
</tbody>
</table>

7.6 Updated forecasts for the forest sector

The Central African forest sector shows an increase in production of roundwood and sawn timber. According to CDF’s updated forecasts, this will be a growth area in the years to come.

Table 4. Forecast for production, exports and local sale from 2018 to 2019 (Source: CDF)

<table>
<thead>
<tr>
<th>Production</th>
<th>2017 Forecast</th>
<th>2018 Forecast</th>
<th>2019 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roundwood</td>
<td>500 000</td>
<td>550 000</td>
<td>600 000</td>
</tr>
<tr>
<td>Sawn timber</td>
<td>50 000</td>
<td>55 000</td>
<td>50 000</td>
</tr>
<tr>
<td>Plywood</td>
<td>1 500</td>
<td>1 500</td>
<td>2 000</td>
</tr>
<tr>
<td>Exports</td>
<td>2017 Forecast</td>
<td>2018 Forecast</td>
<td>2019 Forecast</td>
</tr>
<tr>
<td>Roundwood</td>
<td>200 000</td>
<td>220 000</td>
<td>180 000</td>
</tr>
<tr>
<td>Sawn timber</td>
<td>40 000</td>
<td>45 000</td>
<td>50 000</td>
</tr>
<tr>
<td>Plywood</td>
<td>1 000</td>
<td>1 500</td>
<td>2 000</td>
</tr>
<tr>
<td>Local sales</td>
<td>2017 Forecast</td>
<td>2018 Forecast</td>
<td>2019 Forecast</td>
</tr>
<tr>
<td>Sawn timber</td>
<td>2 000</td>
<td>2 500</td>
<td>2 500</td>
</tr>
</tbody>
</table>

In fact, the forest sector remains significant in the national economy and is among the three growth sectors (agriculture, mines, forests) for which total GDP in 2017 grew to 3.8%.

This forecast is based on the following assumptions:
- Nearly all new permits allocated during 2014 and 2015 will begin full production in 2017
- The security status in the south-west forest area will improve as of 2017
7.7 Domestic timber market

The CAR VPA does not cover the domestic market, contrary to the EU’s other partner countries. The Government’s policy on logging is based on production intended for export. It is therefore based on the sustainable forest management of PEAs. Timber companies that process the most have the best yields and are better able meet the demands of the local market.

However, only four processing facilities are currently operational and the companies’ processing rate does not reach the 70% established by law. The local market is therefore under-supplied by legal timber.

In addition, these logging companies are faced with the weak purchasing power of the local market and unfair competition from the informal sector, for which very little data is currently available.

Contracts with artisan operators could be negotiated to increase the value of short pieces of sawn timber with a view to supplying the domestic market. The lack of standards for products intended for the local market illustrates the ambiguity of CAR’s forest policy.

Considering that the Agreement’s provisions that do not take into account the local market and the latter’s lack of transparency, it is feared that the domestic market may be a source of repackaging timber for export.

The setting up of a formal supply of legally-produced timber in the main towns remains one of the concerns of the Central African Government.

7.8 Foreign market for timber

Logging companies in CAR are producers and exporters. They are responsible for exporting roundwood and sawn timber using the Bangui-Douala corridors and the Fourth Parallel Road.

Figure 3. Roundwood exports per region
(Source: CDF 2017)
7.9 EU market

Cumulative exports of roundwood and sawn timber in market volume in 2017 intended for the EU respectively represent 33% and 58.7% of total exports.

7.10 Other international markets

The Asian market is the first destination for roundwood exports with a share of 59%. As for sawn timber, the Middle East and Asia hold the second place, with 30.8% of the market. Africa is the recipient of 10.6% of exported sawn timber (8.8% of which is for Senegal).

The unknown destination (Articles 8 and 12 of the logging companies’ provisional or definitive contracts) relates to the fact that some clients (brokers or traders) prefer to wait in Douala to receive the timber, and it is difficult to know the timber’s final destination in this case.

As for sawn timber exports, France is the largest importer, with 45.74%, followed by China (26.5%), Germany (8.97%), Senegal (8.81%) and Vietnam (3.95%) out of approximately 15 countries.

Figure 4. Sawn timber exports
(Source: CDF 2017)
List of FLEGT-VPA support projects in 2017

<table>
<thead>
<tr>
<th>N°</th>
<th>Donor</th>
<th>Project/ involvement</th>
<th>Duration (months)</th>
<th>Active period</th>
<th>Service provider</th>
<th>Contact/key person</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EU-CAR</td>
<td>Funding agreement in support of the Legality Assurance System (LAS) MEFCP/STP</td>
<td>12</td>
<td>2016-2017</td>
<td>STP/VPA</td>
<td>MBANGOLO Joseph SOMBO Sylvère ZAMA Edouard</td>
<td>Technical assistance to the MEFCP/ STP, supporting the implementation of the LAS and construction works of the building intended for the LAS Client representative; legal reform</td>
</tr>
</tbody>
</table>
| 2  | FAO-EU      | Memorandum of understanding supporting the strengthening of the role of the private sector in the implementation of the FLEGT-VPA in CAR WWF | 15                | 10/2017-03/2019  | WWF forests programme leader | DEGUENE Bruce                                           | - Capacity building of logging companies to increase compliance with the VPA requirements  
- Drafting and validation of compliance plans and investment plans for logging companies in accordance with the VPA requirements |
| 3  | FAO-EU      | Mandated independent observation                                                     | 10                | 2/2017-12/2017    | CIEDD            | MATHAMALE Jean Jacques Urbain                            | Carrying out independent observation in logging companies with the support of the Ministry of Water Resources, Forests, Hunting and Fishing |
List of government authorities responsible for the implementation of the FLEGT-VPA

Prime Minister’s Office
Ministry of Water Resources, Forests, Hunting and Fisheries
Ministry of the Environment and Sustainable Development
Ministry of Finance and Budget
Ministry of Planning
Ministry of Trade and Industry
Ministry of Administration, Decentralisation and Local Authorities
Ministry of Public Safety
Ministry of Urban Development
Ministry of Transport
Ministry of Justice
Ministry of Employment and Social Laws
Ministry of Agriculture
This report has been prepared jointly by the Central African party and the European party, and has been validated by the Agreement’s Joint Committee.

The online version is available on the website of the EU delegation in CAR http://eeas.europa.eu/central_african_republic/index_fr.htm

Photos: EU FLEGT Facility, IO-FLEGT-VPA