

## **Informal China-Africa Dialogue meeting 20 March 2013, Douala**

### Background

In the margins of the CBFP “Réunion de Partenaires” in Douala, Cameroon, an informal meeting took place to discuss further steps and potential joint activities in promoting the ongoing dialogue in the framework of CBFP between COMIFAC and China/Chinese actors in Central Africa. There seems to be an obvious convergence of interests between public and private actors within COMIFAC countries and China (Chinese State Forest Administration, SFA):

### COMIFAC

- Governments to enhance good practice and legality in forest management and timber trade (Reportedly, more than 60% of official forest concessions in Central Africa are illegal in the sense of non-conforming with local/national legislation. There's no difference between Chinese and other companies operating in these areas.
- Companies interested in a level playing field for all operators in the region
- Government & companies: Secure market access for timber products to Europe and USA (in view of EUTR/AVP FLEGT and Lacey Act) as well as to the growing Chinese market

### China

- Government interested to maintain China's reputation (globally and in Africa) as a “champion” for sustainable development (CSR and sustainability targets being anchored in the national development plan and taken quite serious on the national official level). Challenge is to reach out to the market players and entrepreneurs. SFA has issued in 2009 voluntary guidelines for Chinese enterprises operating overseas in natural forest management (which are not yet “owned” by many Chinese companies),
- Private sector: China exports timber largely to European and American markets where legality and certification are mandatory. However, in the last years, a trend has emerged in China: more timber is being sold in the national market. This creates new challenges in terms of sustainable forest management and standards as Chinese/Asian enterprises operating in Central Africa as the Chinese market is largely unregulated. It also adds a new challenge of how to engage national consumers within the Chinese market.
- China is about to finalize its national standard and has a national forest certification system in place. This is additional to the existing FSC, PEFC, etc.

### Potential partners for enhancing the dialogue:

- The EU through its FLEG-T program has an interest to reach out to Chinese companies. The bilateral cooperation mechanism (BCM-FLEG) between EU and China could also be used to enhance the dialogue.
- DFID program on legality aspects: interest to engage Chinese actors in CA
- MRV system for REDD+ might also be an avenue for cooperation
- WWF is working with Asian companies in Gabon to promote SFM with a focus on verification and legality aspects. Certification could be added as a next step in the future. This includes adaptation of SFA guidelines to Gabon.
- Existing AFD programme on Forest Management Plans in Central Africa.

Ideas from the discussion:

- Potential champion: Chinese enterprise as “champion” to forge dynamic through a pilot project or similar to demonstrate impact and best practice. Example to lead others
- Creation of an International Prize/Award as an incentive and to promote sharing of experiences between European/African/Asian/Chinese companies.
- Try to engage China in the Proforest Initiative and Action Plan
- Integrate FSC standards into national/regional legislation and governance in Central Africa: Certification means also that the company is operating legally as there’s no possibility for companies to operate illegally if certified by FSC. Overall, certification in Central Africa was increasing over the past years, but is now about to backtrack (mainly due to lack of demand by consumers in Europe and US)
- Include a page about the informal information network on China-Africa on CBFP website
- Two step approach: scoping studies (mapping of actors, interests, initiatives, added value from cooperation; market analyses for “responsible timber”), followed by a workshop (forge partnerships, develop inputs for further action, exchange on methods, experience, timelines etc. for the dialogue).
- Next: develop ToR for two studies:
  - o Market analysis to get more information on how to create incentives to encourage (Chinese) companies to transition towards and invest in sustainable forest managements: 30-40 page study, ToR will be proposed by WCS, based on similar studies undertaken with Haas Business School, Berkeley, on sustainable fisheries and tourism in Gabon;
  - o Study on options how to include Chinese enterprises in existing/future programs to support private sector operators in establishing management plans, certification and legal verification processes in Gabon and Congo (1<sup>st</sup> draft ToR from German representatives).