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Background to the research

This country note presents Chatham House's assessment of the likelihood of illegality in the supply chains of the main wood-based products exported by the Democratic Republic of the Congo (DRC). It was prepared to inform our analysis of illegal trade at the international level which has been published as part of the report '[Establishing fair and sustainable forest economies: lessons learned from tackling illegal logging](#)'. This is the most recent in a series of reports on governance and legality in the forest sector in the forest sector, an issue that Chatham House has been monitoring since 2008.

The country note has been published as a background document to explain how the international estimates of illegal trade were made. Thus, it is not intended to provide a comprehensive review of all the available data and information on forest sector legality for the DRC. International and national experts in the DRC's forest sector provided feedback on preliminary versions of the country note.

Overview of exports

The DRC's exports of wood-based products primarily comprise logs destined for China and Vietnam, and sawnwood destined for the EU28 (now EU27) and Africa (predominantly eastern Africa and Zambia).

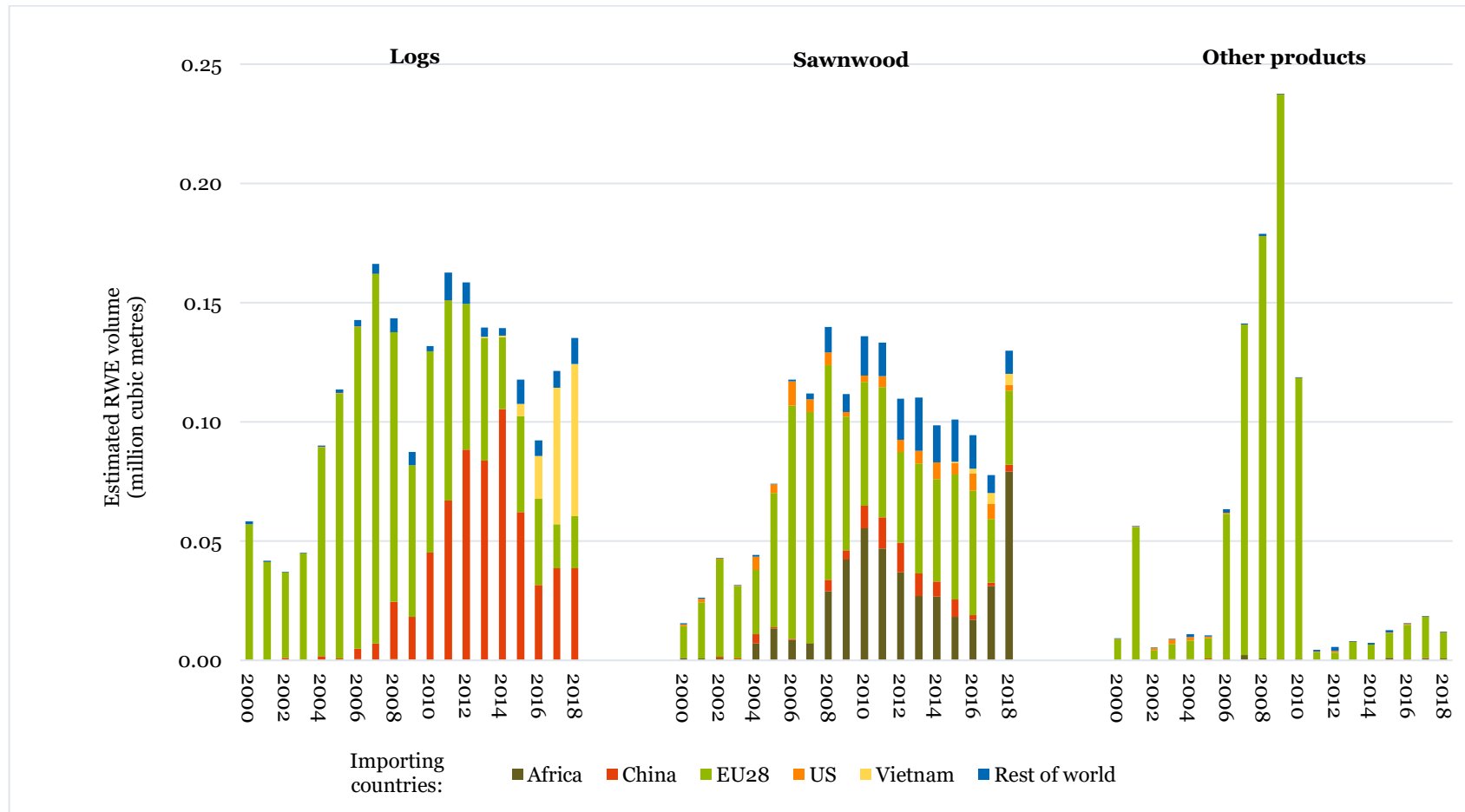


Figure 1: Imports of wood-based products from the Democratic Republic of the Congo¹
Source: Based on Eurostat, General Administration of Customs of the People's Republic of China and UN Comtrade.

¹ Standard conversion rates to estimate roundwood equivalent volume have been adopted for all countries, because of a lack of published data for many countries. The rates adopted are as follows, m³ per m³: 1.8 sawnwood and fibre board, 1.9 veneer and mouldings, 2.3 plywood; and m³ per tonne: 1.6 chips, 2.4 pellets, 2.8 furniture, 3.5 joinery, 4.5 pulp. However, most commentary on RWE volume in the context of the Congo Basin suggests that 3.0 m³/m³ would better reflect reality than 1.8 for sawnwood. Between 2006 and 2011, wood chips and pulpwood logs comprised almost all 'other products'. However, those imports are much more likely to derive from the Republic of the Congo.

Methodology for estimating illegal logging and trade

The analysis considers five categories of illegal practices common across all countries. These categories are listed below, with examples given of the types of illegal activity that they can include in different countries and regions:

- Customary tenure & resource rights
 - FPIC not obtained from any affected people or communities
 - The rights of any affected people or communities not adequately taken into consideration and addressed in the process of allocating permits or developing management plans; and any loss of rights not adequately compensated
- Award of permits
 - EIAs not conducted in accordance with legal requirements
 - Decision-making process for the award of permits does not follow legally required process; e.g. calls for tenders not published; technical requirements for selection of bids not followed; evidence of corruption in the process
 - Use of proxies where the beneficiary would be ineligible
- Forest management & harvesting
 - Management plans not developed or implemented; e.g. plans do not meet legal requirements; logging in restricted areas; overharvesting of particular species; etc.
 - Health & safety and/or labour laws not complied with; e.g. no provision of safety equipment; employment of illegal immigrants; non-payment of salaries or of minimum legal wage
 - Environmental legislation not complied with; e.g. logging of protected areas or species; non-compliance with requirements for protection of wildlife; pollution of water courses
- Forest sector payments & financing
 - Relevant royalties, fees, taxes and fines not paid
 - Benefit-sharing agreements with local communities not complied with
 - Fraudulent financing / money laundering by concessionaires or in relation to mills
 - Transfer pricing
- Transport & trade
 - Export bans or quotas for certain species or products are breached or exceeded
 - False declarations made; e.g. misdeclarations of species, value, source
 - Non-compliance with CITES

Based on a review of the available data, the likelihood of each of the five categories of illegal practice was assessed for the main exported products.² This was classified either as low (<10 per cent), low to medium (10–30 per cent), medium to substantial (30–60 per cent) or substantial (>60 per cent).

For the earlier years (2000, 2008 and 2013), the likelihood of illegality was determined based on Chatham House analyses in 2010 and 2015³, with updates where additional data have since become available. The assessment for 2018 builds on this analysis, using available data and information to assess changes in legal compliance in the last five years of the study period. This included recent

² This analysis focuses on a limited number of products, these were selected according to three criteria: the scale of trade and rate of change in this, trade flows in which high proportions of illegal timber have been documented, and examples of particular types of illegality.

³ Lawson, S. (2014), Methodology for Import-source Estimates of Illegally Sourced Wood Imports: Thailand, South Korea and India, Chatham House Report, London: Royal Institute of International Affairs, <https://chathamhouse.soutron.net/Portal/Default/en-GB/RecordView/Index/187057>; Hoare, A. (2014), Methodology for Estimating Levels of Illegal Timber- and Paper-sector Imports: Estimates for China, France, Japan, the Netherlands, the UK, the US and Vietnam, Chatham House Report, London: Royal Institute of International Affairs, <https://chathamhouse.soutron.net/Portal/Default/en-GB/RecordView/Index/187059>.

Chatham House research into governance reforms, analysis of trade data and the results of perception surveys, as well as a review of reports and data from other organizations.

Overview of trends in illegality

Artisanal logging accounts for the bulk of the country's timber production and operates mainly informally.⁴ A 2019 government report (citing earlier studies) estimated that the artisanal sector produced around 900,000 cubic metres of sawnwood, 15 times more than that produced by the formal sector.⁵ It is the source of the majority of exports to neighbouring countries.⁶

Weak governance means that there are also widespread illegal practices in the industrial sector. The rule of law is weak, with limited capacity for oversight and enforcement, and there are high levels of corruption.⁷

A moratorium on new concessions has been in place since 2002, but breaches have reportedly been frequent. In mid-2021, the government put forward plans to lift the moratorium.⁸

⁴ Tshimpanga, P.O., Lescuyer, G., Schure, J., and Lokombe, D. (2018), Analyse de la chaîne de légalité des filières de sciage artisanal et du bois énergie à Kisangani en République Démocratique du Congo (Analysis of the legality chain of the artisanal sawing and wood energy sectors in Kisangani in the Democratic Republic of Congo), *Tropicultura*, 36(1) : pp. 23–32, <http://www.tropicultura.org/text/v36n1/23.pdf>

⁵ Fonds National REDD+ (2020), *Vers une mobilisation de la finance climat pour le développement durable de la RDC : Lot n°4 – Programme de Gestion durable des forêts (Towards a mobilization of climate finance for sustainable development in the DRC: Lot n°4 - Sustainable Forest Management Program)*, Fonds National REDD+, https://www1.undp.org/content/dam/caf/caf/docs/drc-documents/DRC-Approved%20Programmes/CAFI-%20RDC%20-%2020200603_PGDF_AFD_vf.pdf

⁶ WWF Uganda (2012), *Timber movement and trade in Eastern Democratic Republic of Congo and destination markets in the region*, WWF Uganda, https://d2ouvy59podg6k.cloudfront.net/downloads/regional_timber_movement_and_trade_summary_english.pdf; l'Ecole Régionale Post-universitaire d'Aménagement et de gestion Intégrés des Forêts et territoires Tropicaux (ERAIFT) (2019), *Etat de lieu des acteurs de la filière forêt-bois en République Démocratique du Congo (State of play of actors in the forest-wood sector in the Democratic Republic of Congo)*, ATIBT and FIB, https://www.atibt.org/wp-content/uploads/2020/03/Rapport-final_Etude-sur-l%27etat-de-lieu-du-secteur-forestier-1.pdf

⁷ Kengoum, F. et al. (2020), *The context of REDD+ in the Democratic Republic of Congo: Drivers, agents and institutions*, 2nd edition, Occasional Paper 207, Bogor, Indonesia: CIFOR, https://www.cifor.org/publications/pdf_files/OccPapers/OP-207.pdf; Preferred by Nature (2017), 'Democratic Republic of Congo Timber Risk Profile', Preferred by Nature, <https://preferredbynature.org/sourcinghub/timber/timber-democratic-republic-congo>; Lawson, S. (2014), *Illegal Logging in the Democratic Republic of the Congo*, Research Paper, London: Royal Institute of International Affairs, https://www.chathamhouse.org/sites/default/files/home/chatham/public_html/sites/default/files/20140400LoggingDRCLawson.pdf (accessed 20 Sept. 2021); Global Witness (2018), *Total Systems Failure: Exposing the Global Secrecy Destroying Forest in Democratic Republic of the Congo*, Global Witness Report, <https://www.globalwitness.org/en/campaigns/forests/total-systems-failure/> (accessed 20 Sept. 2021); Global Witness (2019), *Buyers Beware: How European Companies Buying Timber from Industrie Forestière du Congo risk Falling Foul of EU Laws*, Global Witness Briefing, <https://www.globalwitness.org/en/campaigns/forests/buyers-beware/>

⁸ Rainforest Foundation UK (2021), 'Lifting DRC's logging moratorium would be a disaster, warn NGOs', Rainforest Foundation UK News, 14 July 2021, <https://www.rainforestfoundationuk.org/lifting-drcs-logging-moratorium-would-be-a-disaster-warn-ngos>

Summary of estimates

The following table presents an overview of the likelihood of illegal practices in the production of the country's main exported wood-based products. The 'overall likelihood' column reflects all the types of illegal practice and is thus the most pessimistic assessment of the categories for a given year.

	Tenure and resource rights				Award of permits				Forest management				Revenue and finance				Transport and Trade				Overall likelihood of illegality			
	2000	2008	2013	2018	2000	2008	2013	2018	2000	2008	2013	2018	2000	2008	2013	2018	2000	2008	2013	2018	2000	2008	2013	2018
<i>from natural forest:</i>																								
Logs (overland)	Low to medium	Medium to substantial	Substantial	Substantial	Low to medium	Low to medium	Medium to substantial	Substantial	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium
Logs (by sea)	Low to medium	Medium to substantial	Substantial	Substantial	Low to medium	Low to medium	Medium to substantial	Substantial	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium
Sawnwood (overland)	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium
Sawnwood (by sea)	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium

Likelihood of illegality in the supply chain





-  Low (<10%)
-  Low to medium (10-30%)
-  Medium to substantial (30-60%)
-  Substantial (>60%)

Table 1: Estimated likelihood of illegality for the Democratic Republic of Congo's main exported wood-based products