

Global Witness presentation to the DRC/World Bank/Belgian Government meeting on the future of DRC's forests. World Bank, 14th April 2007.

Firstly I want to say thank you to the World Bank, the Government of Belgium and especially the Government of DRC for co-hosting this event, together with all the other governments represented here. I am not just saying this as a courtesy, I really think it is fantastic that this issue is so high on the political agenda and is getting the attention it deserves.

I think everyone around this table probably shares the same vision of what we hope will happen with the forests of DRC, which is. as it says in the Forest Code: *"...[to] foster rational sustainable management of the forest resources to increase their contribution to the economic, social and cultural development of today's generations, while preserving the forest ecosystems and forest biodiversity for future generations."*

I think the differences around this table will centre around what will actually work, and how do we get there. But there are two things for sure:

1. DRC's forests are crucial to the development of that country, and also to the planet, in terms of mitigating climate change.
2. Right now we have a golden opportunity to address this issue. The forests are the second largest forest block left in the world, they are largely intact, and they are largely unallocated. Once they are allocated as concessions then the discussion is over and the opportunity gone. We are simply left with a damage limitation exercise. I agree with what my colleague in the European Commission just said, that the time for rhetoric is over, and it is now the time for action.

There is of course a financial imperative. At the Brussels conference the DRC Government said they needed \$10 million this year from the forests.

The main point I want to make is that although here and at Brussels there have been wide ranging discussions about alternative uses of forests, there is an undercurrent that, of course, DRC does need economic benefit from its forests, and the assumption is that this will come from industrial concession based logging. But lets take a step back and question whether this will really work.

Concession based logging in the tropics has not got a good record in delivering the economic benefits of poverty alleviation or durable economic benefit. The World Bank makes this point in this Priority Agenda. And the World Bank's Inspection Panel reviewing its forestry projects in Cambodia had this to say *"...one could hardly overemphasise the negative effects of the [industrial] logging on a natural habitat of world class value and most importantly on very poor and vulnerable rural communities and indigenous peoples."*

This mindset that industrial logging equals economic benefit must change. Look at Cambodia, Liberia, Cameroon, Cote d'Ivoire, Indonesia etc – industrial logging has not worked anywhere it's been tried in the tropics. The main reason for this is that a combination of corrupt governments and/or officials, corrupt logging companies, lack of capacity and difficulties of enforcement have always defied the economic theories.

Will DRC be any different? I can't see that it will- but in any event it's a hell of a gamble. The second largest forest block left in the world, do we really want to experiment again with this? If we lose the bet there's no going back.

The government of DRC needs to give the forests a breathing space. They need the money from the forests. Well, the projected income from forestry according to the Priority Agenda, notwithstanding its caveats, is that the government will receive \$10-\$20 million per year in five to ten years time. Even if this works, which I doubt, it is a tiny amount of money in global terms. I would also remind people that around this amount is being lost every month in copper smuggling from Katanga Province. There is money around, and the international community needs to give the government breathing space, a financial breathing space.

The government of DRC at this meeting has thrown out a clear challenge to the international community; they are willing to consider all options – but they need the help, the financial support, of the international community.

The international donors at the table here have announced significant financial support, but it is not enough. And there needs to be a lot more vision as to where the necessary funds can come from. We should not be tied to restrictive existing mechanisms. The question we should ask is “how much will it cost NOT to do this?”

I also question how some countries, like France and Germany, are putting money into industrial logging companies in the DRC. In Germany's case, to a German company that less than four years ago was buying timber from Charles Taylor's Liberia, in full knowledge of the implications of this, so much so they tried to disguise the source of the timber. Can we trust companies like this in this great experiment? I don't think so.

One thing is for sure, whatever course is chosen, DRC's forests will need management, and economic benefits will need to be spread amongst the population.

But for now, the forests need a breathing space. An immediate financial imperative must not force the wrong decision about DRC's forests, and it is up to the donor governments represented here to make sure that they bridge the economic gap.

Once again, right now we have a golden opportunity, we need to act now.

Thank you.