

Project of Independent Observation in Support of Forest Law Enforcement in Cameroon

**Validated by the Reading
Committee**

Report of the Independent Observer No. 116En

Central Control Unit – Independent Observer Joint Mission

Title FMU 09 023
Location Ma'an, Vallée du Ntem Division,
South Province
Mission date 10 August 2004
Company Bubinga (holder)
SCIEB (partner)

Independent Observer Team (Global Witness):

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1. EXECUTIVE SUMMARY

The Central Control Unit (CCU), accompanied by the Independent Observer (Global Witness), conducted a control mission in South Province. This mission focused on logging permits under operation and processing units located within Ocean Division and Vallée du Ntem Division. It was in this context that the mission visited Forest Management Unit (FMU) 09 023 on 10 August 2004.

Situated not far from Ma'an, in Vallée du Ntem Division, FMU 09 023 lies within Forestry Concession No. 1005, allocated under a provisional agreement to the Bubinga company since 1998. This company requested, and obtained, authorisation to log Annual Standing Volume (ASV) No. 05 for the current year. The logging activities of this FMU have been subcontracted to the Société Camerounaise d'Industrie et d'Exploitation des Bois (SCIEB).

The mission visited the access roads and haulage tracks leading to the boundaries of ASV No. 05 in order to verify their conformity. The mission then checked that all the activities carried out within this FMU complied with the existing regulations. This revealed that the officials met by the mission were unable to produce proof of the Ministry of the Environment and Forests' approval of the subcontracting agreement signed between Bubinga and SCIEB. In addition, transport documents for timber logged from this site had been incorrectly filled out. The space provided for the name of the purchaser bore the name of the permit holder, although either the WIJMA sawmill or TOLAZZI were noted as consignees of the said timber. By so doing, Bubinga could have been concealing a transaction liable to taxation for timber purchasing.

In view of the above, the **Independent Observer** recommends that Bubinga officials be summoned to a hearing for:

- o False declarations on bills of lading;
- o Entering into partnership with SCIEB without the prior approval of the Ministry of the Environment and Forests.

2. RESOURCES USED

- 1 Toyota Hilux Pick-up
- 1 Digital Camera
- 1 Video Camera
- 2 GPS
- 1 Laptop

3. COMPOSITION OF THE MISSION

The mission comprised Mr. MAMENE, Mrs. ESSONO and Mrs. NDZANA, all of CCU, Mr. AFENE of the Permanent Secretariat for the Environment, and two members of the Independent Observer technical team.

4. CONSTRAINTS

No difficulties were encountered in carrying out this mission.

5. MISSION'S FINDINGS

5.1 The sub-contracting agreement between Bubinga and SCIEB

While in the field, the mission noted that logging activities were being subcontracted by Bubinga to the Société Camerounaise d'Industries et d'Exploitation de Bois (SCIEB). The staff working on the site of Annual Standing Volume No. 05 were employed by SCIEB. On asking to see the document approving this subcontracting, as stipulated by the law, the officials met said they did not have a copy. This absence of approval constitutes an offence because the forestry law stipulates that a subcontracting agreement between companies holding logging permits is subject to such approval. Moreover, a subcontracting agreement only becomes effective following submission of the approved contract to the local forest administration official. By failing to produce this document, Bubinga was in contempt of the law because it was subcontracting out work for a forest logging permit without the prior approval of the department responsible for forests, as stipulated in and sanctioned by article 158 of the 1994 Forest Law.

5.2 Incorrectly filled out bills of lading

The bills of lading presented to the mission were incorrectly completed. They bore the name of the company holding the permit, namely Bubinga, instead of the purchaser. Where the consignee should be given they stated either « WIJMA sawmill timber yard » or « TOLAZZI sawmill timber yard ».

When questioned about this, the work site officials stated that, until recently, they had in fact entered the names of purchasers on bills of lading. Following constant harassment suffered by their transporters of late at the hands of the Akom II Local Forestry Post because these bills of lading carried two different names, that of the timber purchaser and that of the permit holder, they had abandoned this procedure. The Independent Observer expressed doubts as to this justification, especially since no proof of such harassment was presented to the mission.

Bills of lading must distinctly bear the name of the purchaser of the timber to which they relate in the case of local trade. The fact that Bubinga had put its own name in the place of that of the buyer could lead to errors in the tax to be paid on that timber purchase. Bills of lading are one of the documents to be produced when calculating the tax to be paid on timber purchases. If bills of lading do not prove the existence of a buyer other than the permit holder, there is the possibility that a business transaction that would be subject to the payment of tax on a timber purchase is being concealed.

6. CONCLUSIONS AND RECOMMENDATIONS

Findings in the field indicate possible violations of current legislation on the part of Bubinga. Incorrectly filling out bills of lading and the failure to present the Ministry of the Environment and Forests' approval of the subcontracting agreement could, respectively, conceal the non-payment of certain charges, taxes and royalties and the implementation of a subcontracting agreement without the approval of the Ministry of the Environment and Forests. Only thorough investigations will enable such offences to be confirmed or refuted.

The **Independent Observer therefore recommends** the summoning of Bubinga officials to a hearing for:

- o False declarations on bills of lading;
- o Entering into partnership with SCIEB without the prior approval of the Ministry of the Environment and Forests.