



# How governance impacts non-timber forest product value chains in Cameroon



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## ABSTRACT

Non-timber forest products (NTFP) comprise a diversity of natural resources that support livelihoods of those along the chain from harvester to traders. The Central African Forest Commission (COMIFAC) recognises the importance of NTFPs in alleviating poverty and conserving biodiversity and has proposed directives to aid member states to implement appropriate regulations. Data on the regulations governing the chain and its impacts were collected from literature, 12 small and medium enterprises trading an NTFP known as okok (*Gnetum* spp.) from the production forests to the port of export in Cameroon, and workshops. Laws were bureaucratically, arbitrarily and weakly implemented and enforced. Of 18,368 financial transactions recorded, 81% were bribes, comprising 34% of trader's costs. Corruption in the permit system further creates high transaction costs, negative environmental impacts due to illegal and over-exploitation, and reduces government revenues. The regulatory framework does not promote an enabling business environment. Improvements in governance are imperative if the economic impact upon the livelihoods of thousands of people in the chain is to be maintained and enhanced to ensure sustainable trade. Recommendations to improve the sector in Cameroon include revisions in the regulatory framework and its implementation to increase transparency and counter corruption.

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## 1. Introduction and context

Over the last two decades, studies have highlighted the economic, social and cultural importance of non-timber forest products (NTFPs)<sup>1</sup> in Central Africa<sup>2</sup> (Ingram et al., 2012a, 2012b; Tieguhong and Zwolinski, 2008). Based on data from Cameroon (Ingram, 2014), around a third of NTFPs harvested are estimated as traded. Many of the high value traded NTFPs (Ingram et al., 2012a, 2012a) form the basis of local, regional and international trade by individual entrepreneurs and small and medium-scale enterprises (SMEs) (Ingram et al., 2012a; Tieguhong et al., 2010; Ndoye and Tieguhong, 2004). Official, systematically collected data about the value of NTFP trade in the region does not exist. Whilst efforts are being made to collect this as part of the Central African Forest Observatory, studies, market data and trade permits indicate that the annual value of the

sector is slightly over a billion US\$ (Ingram et al., 2012a, 2012b). Many SMEs sell two or more NTFPs often alongside agricultural products, in quantities which provide a significant income (Tieguhong et al., 2009a). Among the highest valued and commercialised NTFPs in six Central African countries are the leaves of two forest vines or vegetables known as okok or eru (*Gnetum africanum* and *Gnetum buchholzianum*) in Cameroon, fumbwa in the DRC, nkumu or mfumbu in Gabon and koko in Congo and the Central African Republic (CAR) (Bikoue et al., 2006; Ingram, 2014; Ingram et al., 2012a, 2012b; Mala, 2008). Eight of the most highly commercialised NTFPs in Cameroon provide on average 40% of annual household income for those involved in their chains (Ingram et al., 2012a). In Cameroon, *Gnetum* spp. traders earn on average 1469 US\$ annually, exporters 6121 US\$, and retailers 1458 US\$ (Ingram, 2014). However, both species are threatened in Cameroon by over-exploitation, habitat loss and poor or weak governance (Bikoue et al., 2006; Mala, 2008; Ingram, 2014), a manifestation of which is corruption (de Wasseige et al., 2012; Transparency International, 2009).

### 1.1. The NTFP sector in Cameroon

Trade in many of these NTFPs has occurred for centuries, and appears to have increased in the last thirty years. For example, okok

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<sup>1</sup> Products of biological origin from natural modified and managed forested landscapes. They include plants and animals, whole or in part.

<sup>2</sup> Equatorial Guinea, Republic of Congo, Democratic Republic of Congo (DRC), Cameroon, Central African Republic (CAR) and Gabon.

trade involves around 1885 people and at least 20 SMEs in Cameroon, and in the DRC at least 1744 people (Ingram et al., 2012a, 2012c). In the DRC, in 2007, the annual average revenue of okok harvesters was around at 668\$ (Awono et al., 2009). van Dijk (1999) estimated that okok sellers can earn a daily wage of around US\$ 1.5. Many NTFP are gathered, processed and marketed both by the main ethnic groups as well as minority groups (Tieguhong et al., 2012; 2009a). Whilst men dominate many of the chains and often have customary ownership over tree-based products, comprising 60% of people involved in general (Ingram, 2014), women generally are engaged in specific activities such as harvest, processing and retail of 'women's' products (Ingram et al., 2015). Ndoye et al. (2010) showed that 94% of the estimated 1100 NTFP retailers in 18 major markets in the humid forest zone of Cameroon were female. Inter-African and international trade in NTFPs is also important. The okok trade from Cameroon to Nigeria was at least 3.8 million US\$ annually in 2010, with a tenfold increase in the volume of exports estimated since 1991, involving around 1885 people and at least 20 SMEs (Ingram et al., 2012a, 2012c).

### 1.2. Value chain governance

The processes involved as NTFPs are harvested, processed, sold and used create what is known as a value chain. Taking a chain perspective allows the impacts of governance on the trade of these products to be assessed (Kaplinsky and Morris, 2003). Different stakeholders are typically involved at each stage of the chain: small scale harvesters, traders, transporters, exporters and consumers (Ingram et al., 2012c), NTFP chains operate in a context of increasing urbanization, significant poverty, a difficult business environment and significant corruption (de Wasseige et al., 2012). The Central African Forest Commission (COMIFAC) has emphasized the importance of NTFPs as strategic products in realising its three objectives, to fight poverty, enhance economic development and conserve biodiversity through sustainable development of forest resources.

The provision of a favourable business climate by governments has been seen as a prerequisite for economic growth led by the private sector (Commission for Africa, 2005). The regulatory, institutional and policy framework affects the performance of SMEs (Bonannée et al., 2007). However, despite being regulated in many countries in the region, the political and regulatory framework has been criticised as being haphazardly applied, inconsistent, illogical and largely ineffective in ensuring sustainable trade (Awono et al., 2010; Laird et al., 2010; Molnar et al., 2010; Ndoye and Awono, 2010). To address such issues, COMIFAC's 'Sub-regional directives on the sustainable management of NTFP of plant origin in Central Africa' aim to improve governance. The directives provide member countries with guidelines for including NTFPs in their national legal frameworks and to stimulate their participatory management, strengthen value chains and regional trade, thus increasing their economic contribution and visibility (FAO, 2010; Ingram et al., 2012a, 2012b; COMIFAC, 2008).

Regulations are however not the only mode of governance for NTFP chains. If and when statutory regulations operate, they are often superimposed by other governance arrangements: customary, voluntary and market-based schemes, rules introduced by projects and programmes and international standards (Ingram, 2014). The configurations of which vary widely per product, chain and country. Plural arrangements can result in conflicting governance regimes, negatively affecting the sustainability of species upon which the chains are based in the long term (Ingram, 2014). A product's growing economic value is often manifested by increasing corruption, illegal activities and conflicts over ownership and access rights to NTFPs (Foundjem, 2013; Ingram, 2012). In timber chains, illegality (the non-respect of prevailing legal rules) has resulted in unsustainable forest management (Tacconi et al., 2003), increasing poverty by reducing forest resources available to the poor (Cerutti and Tacconi, 2006), and significantly reductions in government revenues (Cerutti et al., 2010). Given the widespread view that improving forest governance is essential to sustainably, equitably and effectively manage competing demands on forest products

(Djeukam, 2007; Kozak, 2009; WRI, 2009), knowing the economic and environmental impacts of governance arrangements is essential to provide recommendations for policymakers and practice (Laird et al., 2010; Ndoye et al., 2010) to sustainably govern NTFPs. Given this context, this paper seeks to answer three questions:

1. What formal, regulatory arrangements govern the okok chain in Cameroon and who are the main stakeholders involved?
2. What are the impacts of these arrangements?
3. What changes should be made to provide a favourable governance framework for sustainable NTFP trade in Cameroon?

## 2. Conceptual framework

Links between governance, sustainable development and poverty alleviation were made at the 1997 International Conference on Governance for Sustainable Growth and Equity and subsequently to forests (Kaimowitz, 2003; Ros-Tonen and Kusters, 2011). Practical challenges in realising forest conservation and development goals, have increasingly highlighted that governance plays a critical role in the sustainable management of forests and their products (Tacconi et al., 2003). How forests and their products are governed can have far reaching resource related outcomes, depending on who governs, why, the rights and rules, which have implications for the sustainability of livelihoods (Laird et al., 2009; Mayers and Vermeulen, 2002). Sachs et al. (2004) see governance as one of the problems creating and maintaining poverty. They contend that tropical Africa's poverty trap means it is too poor to achieve robust, high levels of economic growth and, in many places, simply too poor to grow at all. Policy and governance reform alone are deemed insufficient to overcome this trap.

Over the past five decades, many of the difficulties faced in managing natural resources in Africa have been linked to weaknesses of governance and the absence of an effective state (Commission for Africa, 2005). Governance refers to public, civil society and private interactions initiated to solve societal problems and create opportunities (Kooiman et al., 2005). It is the way a society organises itself to make and implement decisions – achieving mutual understanding, agreement and action and comprises the mechanisms and processes for citizens and groups to articulate their interests mediate their differences and exercise their legal rights and obligations (UNDP 2007). These definitions emphasise that governance embraces the decisions and processes that define expectations, grant and exercise power,<sup>3</sup> and/or verify performance. Good governance as purported by the Commission for Africa (2005) is the ability of government and public services to create an economic, social and legal framework that will encourage economic growth and allow poor people to participate in it. Institutionalised corruption, euphemistically called 'informal taxes' in Cameroon, it is a manifestation of a lack of respect of both the corrupter and corrupted for (formal and informal) rules governing their interactions. It has been seen as a failure of 'good' governance (Kaufmann et al., 2010) and a cause of poverty (Harford, 2006). Defined as the exercise of power for private gain, corruption ranges from additional payments 'to get things done' in business to elites engaging in state and power capture. In Cameroon corruption persists despite anti-corruption campaigns in forestry and state affairs, at the behest of international institutions (Topa et al., 2009), or elites wishing to reorient systems to ensure continued personal gain (Cerutti et al., 2013). When nested within formal institutional statutory structures and customary institutions, run in parallel by the same governors, it forms a pluralist layer in the governance of forest resources. Where formal regulations are unknown, unclear or unenforced, corruption can occur. Corruption is often expected, although unpredictably applied, impacting how, when and where transactions occur in value chains and their costs. Most corruption in Cameroonian forest

<sup>3</sup> Power is defined as the possession of control, authority or influence over others and the ability to enforce wishes when opposed, including when livelihoods are threatened.

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