

# Cameroon Forestry Transparency Forum

2020 Report

## Contents

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1. Introduction .....	3
1.1 The SPOTT initiative.....	3
1.2 Objectives of the Forestry Transparency Forums.....	3
1.3 Agenda and participants.....	4
2. Speaker presentations .....	5
2.1 Presentation of SPOTT .....	5
2.2 SPOTT questions and answers.....	6
2.3 Presentations by local stakeholders .....	11
3. Conclusions .....	12

## 1. Introduction

The 2020 Cameroon Forestry Transparency Forum was held on 19th February 2020 in Douala. This Forum was organised by the Zoological Society of London's (ZSL) [SPOTT initiative](#). This report provides an overview of the presentations and discussions that took place as participants debated the benefits and challenges of increasing transparency in Cameroon's forestry sector, including the support needed to drive greater transparency, and the role of SPOTT.



### 1.1 The SPOTT initiative

ZSL launched [SPOTT](#) in 2014 for the palm oil sector and expanded to cover the tropical timber and pulp sectors in 2017. SPOTT – Sustainability Policy Transparency Toolkit – is a free, online platform supporting sustainable commodity production and trade. By tracking transparency, SPOTT incentivises the implementation of corporate best practice. SPOTT assesses commodity producers, processors and traders on their public disclosure regarding their organisation, policies and practices related to environmental, social and governance issues. [SPOTT scores tropical forestry and palm oil companies](#) annually against over 100 sector-specific indicators to benchmark their progress over time. In 2019 it also began assessments of 15 of the largest companies in the natural rubber sector.

Through a recent grant from DFID's<sup>1</sup> [Forest Governance, Markets and Climate](#) (FGMC) programme, SPOTT expanded to assess and engage a greater number of timber and pulp companies. This expansion primarily targeted [FLEGT](#)<sup>2</sup>-partner countries at various stages of Voluntary Partnership Agreement (VPA) development – specifically, Indonesia, Cameroon, Republic of Congo and Gabon. At the same time, SPOTT has started to assess timber traders in China that source from Africa. Key activities in 2020 include the review of the SPOTT timber and pulp indicator framework and alignment with palm oil and natural rubber frameworks, SPOTT assessments of 100 timber and pulp companies (up from 50 in 2018 and 97 in 2019), continuing to build support for via the SPOTT Supporter Network for investors and other users, and direct support to companies looking to increase their transparency through workshops and face-to-face meetings and training with SPOTT staff.

### 1.2 Objectives of the Forestry Transparency Forums

The 2020 Forestry Transparency Forums were developed to help SPOTT engage with forestry sector stakeholders in its target geographies. Unlike in 2019, workshops will only be held in Cameroon, Indonesia and China in 2020. This is to strike a balance between the cost of one-off annual workshops vs. more detailed and bespoke guidance being provided to companies directly through one-to-one meetings with SPOTT staff.

The Forums enabled participants to meet the SPOTT team and increase their understanding of SPOTT's approach, processes and users. The SPOTT team also had the opportunity to hear stakeholders' feedback and concerns, helping to improve the SPOTT initiative. Key forestry sector stakeholders were also provided with opportunities to discuss issues associated with varying levels of transparency in the forestry sector. The participants considered the opportunities and benefits associated with greater transparency in the forestry sector, identified the obstacles to increasing transparency and discussed potential actions to overcome them.

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<sup>1</sup> United Kingdom's Department for International Development.

<sup>2</sup> Forest Law Enforcement, Governance and Trade – FLEGT is a European Union Action Plan established in 2003.

A further series of Forestry Transparency Forums will be organised in the same countries in the next phase of SPOTT (2021 – 2025) to support continued debate and knowledge sharing.

### 1.3 Agenda and participants

For the 2020 forum, ZSL was assisted by the Interprofession de Filiere Foret Bois du Cameroun in the issuing of invitations to participants, and the Ministry of Forests and Fauna (MINFOF) who spoke at the event about updates in Cameroon’s forestry sector.

The Forum provided a space for participants to present and discuss issues pertaining to the Cameroonian forestry sector, including how SPOTT complements wider initiatives such as the FLEGT process between the European Union and Cameroon, voluntary certification schemes such as FSC and other DFID/FGMC funded schemes such as the Open Timber Portal initiative, run by the World Resources Institute.

ZSL also welcomed special guests from the Banque de Développement des Etats d’Afrique Centrale (BDEAC), including the Vice President Monsieur Marcel Ondele and Guy Djombé, who is the lead coordinator of BDEAC’s activities with the finance sector.



ZSL SPOTT’s Forestry Technical Advisor, Charlie Hammans, presenting at the Transparency Forum. Image credit: ZSL

Representatives from the following organisations attended the Forum:

#### **Forestry companies (8 companies)**

- Sodinaf/SFIF
- Alpicam
- IFFB
- GFBC
- Vicwood-Thany
- SEFFECAM
- Pallisco
- SDAFE

#### **Private sector associations & service providers (5 organisations):**

- Interprofession de Filiere Foret Bois du Cameroun (BDEAC)
- FSC International
- Proforest

- Bureau Veritas
- Green Consulting

**Civil society organisations** (9 organisations):

- FCTV
- Sail D
- Profe-Giz
- Flag
- Environment Votre
- FODER
- TRAFFIC
- SABADE
- Zoological Society of London (ZSL)

**National and local government** (1 organisation):

- Ministry of Forests and Fauna (MINFOF)



Participants at the ZSL Cameroon Transparency Forum. Image credit: ZSL

## 2. Speaker presentations

### 2.1 Presentation of SPOTT

The presentations from the SPOTT team focused on several themes. The first presentation, led by ZSL SPOTT’s Forestry Technical Advisor, focused on evidence that timber companies operating more sustainable models of natural forest can perform better financially. This was shown in several ways – for example, showing that companies that have pursued management are better positioned to access more mature and regulated markets for timber, such as the EU market – EU buyers often demand FSC certification for tropical timber as a marker of good business practice when sourcing from “riskier” markets. Other topics covered included showing how initial investment in reduced impact logging techniques is recouped quickly by efficiencies in the harvesting process, reduced wear and tear to logging equipment, and staff productivity – whilst having a reduced impact on tropical forest carbon stocks than conventional logging techniques. Another aim of the presentation was to show how the exportation of round and sawnwood to the Asian market (principally China

and Vietnam) will face increasing pressure in the future, due to a slowdown in the Chinese market and increased focus in Vietnam in eliminating timber suspected not to be compliant with import standards.

The second presentation focused on common issues companies encounter when being assessed on SPOTT, jointly given SPOTT's Impact and Engagement Manager, Clara Melot, and the Forestry Technical Advisor. The presentation focused on sharing recommendations and guidelines to ensure that companies' disclosures are clear and fit-for-purpose. The presentation highlighted the importance of publishing clearly dated and quantified information as well as policies with a defined scope and time-bound commitments. The team provided examples of simple improvements that companies could make to their disclosures, or key documents to upload in order to score points through the SPOTT scoring system. Finally, the benefits of making company policies, legality documents and concession maps publicly available were discussed.



Clara Melot, ZSL Impacts & Engagement Manager. Image credit: ZSL

In Cameroon, the average score on SPOTT in 2019 was 10.96%, with some companies not even having websites. The SPOTT team expressed to private sector representatives in attendance that to obtain even a minimal score on SPOTT, companies need to have uploaded clear, unambiguous policies on their website that cover all of the 10 ESG categories assessed by SPOTT – and that need to apply to all of the companies' suppliers in order to achieve maximum impact and mitigate risk.

Finally, companies were also shown how uploading documents to the Open Timber Portal to show legality compliance could lead to increased transparency and scoring points on both platforms – WRI and ZSL SPOTT's informal partnership is explained in this [blog post](#).

## 2.2 SPOTT questions and answers

### How does SPOTT assess companies?

SPOTT assesses companies on their public disclosure regarding their organisation, policies and practices. During each annual assessment, the SPOTT team examines each company's websites, public reports, and other publications against the SPOTT indicator framework.

The SPOTT team is unable to go into the field to verify if companies respect their commitments and the companies do not send information directly to ZSL. However, companies are given the opportunity to provide

feedback on their assessment and improve their disclosures before the results are finalised and published on the SPOTT website.

SPOTT also provides a ‘media monitor’ that collates any news stories and reports on company activities, helping users to understand whether companies are implementing their commitments in practice. These news stories and reports are not scored in the assessments but provide important contextual information to users.

### **Do companies need to give their approval to be assessed on SPOTT?**

Permission is not needed to carry out an assessment of a company on the SPOTT platform, due to the fact that assessments only consider publicly available data. However, whenever valid contact details are available, SPOTT makes every company aware that they are being assessed each year and gives them ample opportunity to interact with the SPOTT team on their assessments. SPOTT has also been approached by some companies who wish to be assessed on the platform in order to be part of the benchmark and identify areas for improvement.

### **How does SPOTT select companies? Do you only select large companies?**

SPOTT selects companies according to their size in the sector and potential impact on tropical forests, biodiversity and communities. Criteria considered include, amongst others, size of market capitalisation (if a listed company), extent of concession areas or volume traded, proximity of concessions to high value ecosystems (e.g. national parks), and evidence of poor social or environmental practices (e.g. in industry or media reports). Companies can be nominated by a third party or volunteer for inclusion on SPOTT by filling the dedicated [form on the SPOTT website](#). SPOTT then selects companies on the basis of the above criteria.

Companies can request that they are not assessed on SPOTT, but this is only allowed in exceptional circumstances – for example, if a company sells all of its forestry operations.

### **Are SPOTT results representative of verified information of either legality or sustainability?**

For the Timber and Pulp assessments in 2020, the assessment process will include ‘practice indicators’ to ensure that companies are putting their policies into practice. In order to gain full points for most practice indicators, it is not sufficient for the company to have produced self-reported information: it would need to be verified by an external party, or certified under a credible scheme (for example, FSC certification).

Regarding whether SPOTT scores are indicative of legality, SPOTT does include eight legality indicators in the framework. Rather than developing a SPOTT-specific framework, SPOTT validates these indicators with reference to the Open Timber Portal (OTP) for companies in the Congo Basin and from 2020 will take into account the SVLK licensing process in Indonesia.

[Please see the blog post here which explains how SPOTT uses OTP indicators for further details.](#)

### **What are the differences between OTP and SPOTT?**

Whereas OTP focuses on companies in Cameroon, Republic of Congo and DRC uploading documents required to demonstrate the legality of wood according to the laws of the country in question, SPOTT focuses on the transparency of companies in regard to their sustainability policies and practices using an indicator framework that includes ten environmental, social and governance (ESG) categories. OTP indicators are used by SPOTT to assess the transparency around legal documents for timber legality indicators.



Exercise session at the Cameroon SPOTT Transparency Forum. Image credit: ZSL

### **Is SPOTT an endorsement of a company's sustainability?**

SPOTT is neither an endorsement nor a disapprobation of any company, but a platform through which buyers and financial institutions can see the level of transparency achieved by a company in question and gauge transparency throughout the timber sector (as well as palm oil and natural rubber). The main aim of SPOTT's assessments is to provide a measure of a company's overall transparency, including its commitment to social, environmental and governance (ESG) best practice. ZSL defines transparent information as information communicated by the company in publicly available materials that are freely and readily accessible to all stakeholders. Being more transparent is a vital component of ESG best practice.

### **How can a zero-deforestation commitment be implemented in the forestry sector when demand for products will continue to increase over time, requiring more land?**

Tropical deforestation needs to stop, not only to protect wildlife and people dependent on forests, but also to meet international targets on tackling the climate crisis. A zero-deforestation approach means that companies looking to expand production must do so either through increasing yield on the land they already have, or by expanding only in areas of non-forested or degraded land. The High Conservation Value (HCV) and High Carbon Stock Approach (HCSA) methodologies are useful tools for identifying areas of forest that should not be developed, and areas where expansion will have less impact.

Additionally, by adopting more sustainable practices companies may be able to increase their profitability per hectare, without increasing deforestation. A [2015 study by WWF](#) found that overall, the financial benefits of FSC certification tended to outweigh the costs for companies they evaluated, particularly in tropical forest operations. This was due to a mix of greater market access, stronger stakeholder relations, and improved operational efficiencies and management practices.

### **What is the benefit to companies of engaging with SPOTT and increasing our scores?**

SPOTT assessments are essentially a free assessment of company sustainability disclosure – companies can use them to identify weaknesses and gaps in their current policies and reporting on practices, and to improve their transparency and sustainability management. There are various operational, reputational, regulatory, financial and market-access risks associated with unsustainable production, as well as benefits for companies adopting better practices. We explore some of these for the palm oil sector in our [recent report](#) on a business case for sustainability, and many of these cases are applicable to the timber and pulp sector as well.

Key company stakeholders are using SPOTT assessment data, and many are making decisions about their involvement with companies based on it. Institutional investors, banks, downstream buyers and retailers use the platform, as well as NGOs and researchers scrutinising company transparency. We speak regularly with users who draw on SPOTT data in their investment and lending decisions, or when looking into compliance in their supply chains with their own sustainability commitments. Several stakeholders have publicly stated their support for SPOTT and its approach by joining our Supporter Network – see our website for a list of these Supporters: <https://www.spott.org/supporter-network/>.

### **Does SPOTT weight or rank the importance of indicators it assesses?**

All SPOTT Timber and Pulp indicators are worth a total of one or two points. These indicators are the same for all companies wherever they operate. However, some indicators can be disabled according to the companies' scope of operations. For example, a company which only extracts wood from natural forests will not be assessed against indicators dedicated to plantation-based production. In the 2019 assessments, 104 out of 131 SPOTT Timber and Pulp indicators could be disabled to fit each company's characteristics and scope of operations. For example, SPOTT's legality indicators are linked to [Open Timber Portal](#), which is only currently available in certain Congo Basin countries – so these indicators are disabled for companies not operating in these countries.

In 2020, SPOTT will be launching a weighting tool for users on the website. This will allow users to choose how much emphasis they wish to place on certain categories or specific indicators, in order to help prioritise engagement with SPOTT companies they invest in or buy from. A custom weighting option will be available, as well as pre-defined weightings for legality criteria, NDPE criteria, etc.



TRAFFIC contributes to the Q&A session at the Cameroon SPOTT Transparency Forum. Image credit: ZSL

### **How do smaller companies cope with ESG requirements? And is there a possibility to make a SPOTT scorecard for smallholders?**

None of the companies assessed on SPOTT could be classed as small and medium sized enterprises (SMEs). All are large-scale operations and size of landholding or processing volumes is typically one of the reasons why they were selected. We recognise that increasing ESG requirements on all companies is a burden, but it is the cost of doing business as a private sector organisation.

SPOTT does not focus on SMEs currently, but due to the number and impact that smallholders can have in all soft commodity supply chains, we are looking at the best way to support sustainable smallholder producers. A SPOTT scorecard may not be the most appropriate way to do this, but ZSL has the expertise and capacity to

provide training and support to smallholder associations and groups to improve practices and prepare for certification, where this is possible. If you would be interested in discussing how ZSL can support smallholder schemes, please get in touch with us.

#### **How does SPOTT engage the low-scoring companies and get them to improve?**

Companies are contacted at various stages of the assessment process and the SPOTT team invites them to send feedback and ask questions. The SPOTT team often meets companies to discuss their assessments and provide advice on how they can improve. The indicator framework, research protocols and assessments published on SPOTT also serve as guidelines for companies to identify gaps in the information they publish and to learn about environmental, social and governance best practice.

However, the lowest scoring companies on the SPOTT scorecard are typically those companies that engage with SPOTT least. Some have never responded to any of our outreach and provide no feedback. In some cases – especially for smaller companies without websites – it may even be difficult for us to verify the correct contact details for companies. We try to tackle these gaps by contacting companies and other stakeholders in each country to contact assessed companies. Please get in contact if you think your company or a fellow company in your sector could and should be scoring higher, so that the SPOTT team can reach out to provide support on how we assess companies.

#### **How can companies cope with complex problems such as boundary conflicts and conflicts with communities?**

The SPOTT Indicator Framework includes a number of indicators to help guide companies on how best to address community, land and labour rights. All of these are based on the premise that regardless of whether a commercial company is granted a concession license by government, it is still the obligation of the concessionaire to investigate community and land claims. Many of these may be legitimate and require engagement with communities, governments and civil society organisation to fully address issues. Engagement with communities should be proactive and continuous and should be based around the principles of Free, Prior & Informed Consent (FPIC), as well as recognising that your obligations as a commercial operator extend beyond the boundaries of your concession. Commercial operations should engage in landscape level approaches to collectively address their impact on social, environmental and governance issues.

#### **Who are SPOTT users? How does SPOTT work with its users? Does SPOTT reach out to the local banks of the countries where the Forums were organised?**

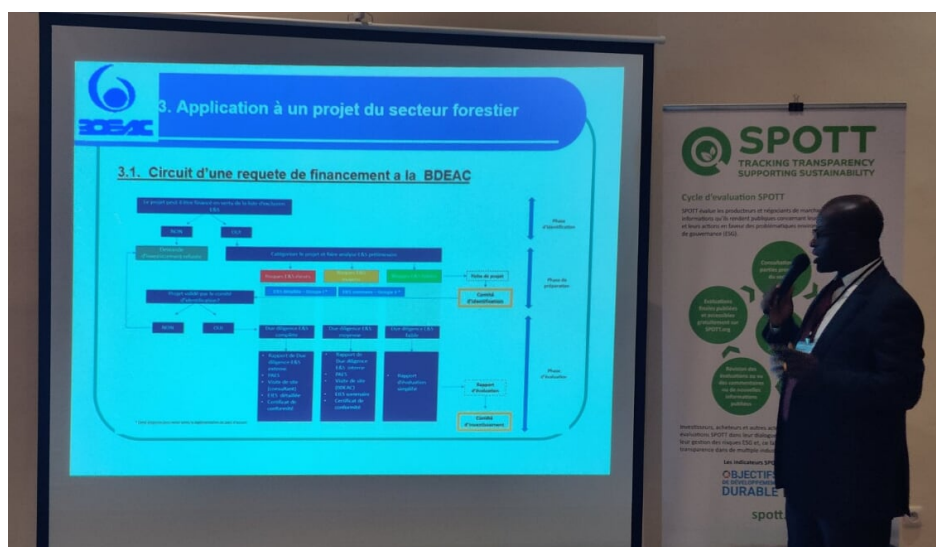
SPOTT was designed at the request of financial sector stakeholders, to support constructive engagement between the financial sector and palm oil and forestry companies. SPOTT allows its users to identify areas in which a company excels or progresses, and where it should be more transparent or adopt best practice. SPOTT's primary target audiences are financial institutions (investors, asset managers, banks, research institutes) and buyers who are interested in the companies' environmental, social and governance practices. In 2019, over 22,300 users visited the SPOTT website and viewed pages more than 170,000 times. The SPOTT Dashboard, a free portal on the website (registration required) where users can download SPOTT assessment data and additional analyses, has seen over 900 registrations since its launch in February 2018.

The SPOTT team currently has limited links with local banking institutions although this is focused upon in 2020, due to the impact these organisations have. During the 2020 SPOTT Workshop in Cameroon the Development Bank of the Central African States (BDEAC) spoke on the importance of ESG screening criteria in the forestry sector and importance of tools like SPOTT to support responsible investment. Local banking institutions are also encouraged to contact the SPOTT team if they would like additional information.

In 2020, SPOTT is also expanding its focus on consumer goods manufacturers (CGMs) and retailers as key user groups for SPOTT assessments. We are already aware that SPOTT is used by a number of retailers and CGMs to direct engagement with their supply chains, and we shall increase our support to these sectors.

### 2.3 Presentations by local stakeholders

**Guy Djombe**, Head of the Environment and Sustainable Development Division for BDEAC, presented on the bank’s current ESG requirements for investing in natural forestry operations. He outlined that natural forestry exploitation is classed as a “high risk” environmental and social risk for the bank. He described the due diligence requirements that the bank requires and circumstances under which an investment would not be made – including exploitation of “primary forests”, any operation that posed damage to critical forest ecosystems, and any forest management unit without a valid and sustainable management plan.



Guy Djombe speaking on BDEAC's Investment Due Diligence Process. Image credit: ZSL

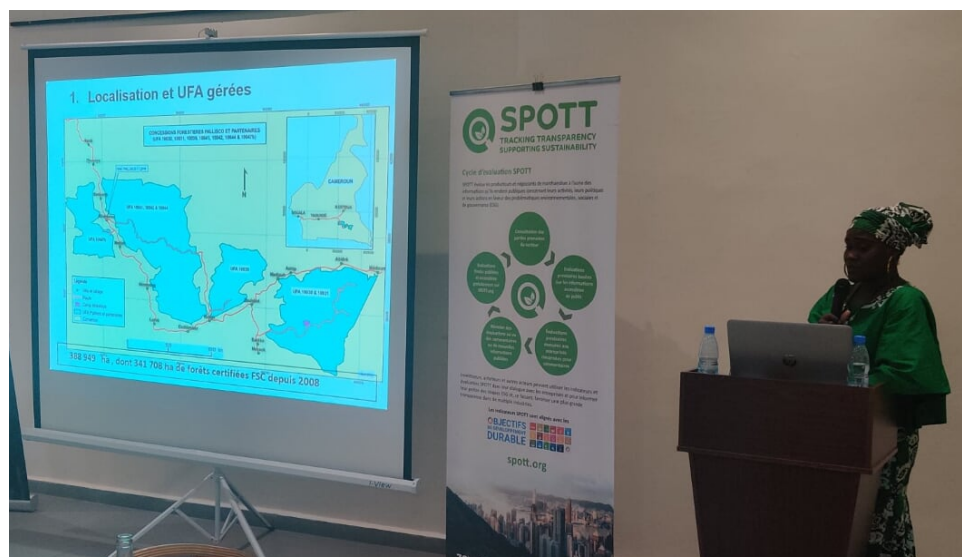
Additional presentations were also provided by the following presenters

- **Christian Asanga, ZSL Cameroon** – Presentation on the “Conservation Toolbox” developed under the Wildlife Wood Project in collaboration with Rougier and SFID.



ZSL's Christian Asanga speaking on wildlife management in forest concessions. Image credit: ZSL

- **Marie Cecile Ngoue, Pallisco CIFM** – Presentation on the certification process and advantages and disadvantages of FSC certification in the Cameroonian context



Marie Cecile Ngoue providing information on Pallisco's FSC journey. Image credit: ZSL

- **Fousseni Feteke, Green Consulting** – Presentation on FLEGT projects active in Cameroon
- **Vanessa Mankou, FODER** – Presentation on Foder's activities as an independent observer to the FLEGT process in Cameroon
- **Blandine Ouogua, L'Interprofession de la Filière Bois au Cameroun (IFFB)** – Presentation of IFFB's activities under the auspices of a FAO funded project to improve the legality of SME timber enterprises in Cameroon.

### 3. Conclusions

Achieving transparency and sustainability in the Cameroonian forestry industry is a considerable challenge that will require substantial support and will from many different stakeholders, including government, buyers, NGOs and the financial sector, but – first and foremost – forest management companies. There is a continued reluctance for Cameroonian operators to engage with NGO initiatives or disclose company information because company directors and sustainability managers consider that the disclosure of policies and practice opens them up to further criticism and reputational damage. However, workshops such as ZSL's Transparency Forums and continued constructive engagement with forestry companies play an important role in changing this narrative and instead showing how transparency can improve the reputation of the country's forestry sector. But transparency is a small part of the overall puzzle, and companies operating natural forest concessions must also take steps to put their paper commitments into practice at a crucial time for the world's forests, by protecting areas of high conservation values, employing reduced impact logging techniques and seeking the continued consent of indigenous peoples through the process of Free, Prior and Informed Consent. Finally, the SPOTT team at ZSL hopes that this workshop serves as a springboard for further disclosures by Cameroon's forestry sector, reflected by an increase in scores in their 2020 SPOTT assessments.

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## About SPOTT

Developed by the Zoological Society of London (ZSL), SPOTT is an online platform supporting sustainable commodity production and trade. By tracking transparency, SPOTT incentivises the implementation of corporate best practice.

SPOTT assesses commodity producers, processors and traders on their public disclosure regarding their organisation, policies and practices operations related to environmental, social and governance (ESG) issues. SPOTT scores companies annually against sector-specific indicators, allowing them to benchmark their progress over time. Investors, buyers and other key influencers can use SPOTT assessments to inform stakeholder engagement, manage risk, and increase industry transparency.

For more information, visit [SPOTT.org](https://www.spott.org).



The SPOTT initiative is funded by UK aid from the UK government; however, the views expressed do not necessarily reflect the UK government's official policies.

## About ZSL

ZSL (Zoological Society of London) is an international conservation charity working to create a world where wildlife thrives. From investigating the health threats facing animals to helping people and wildlife live alongside each other, ZSL is committed to bringing wildlife back from the brink of extinction. Our work is realised through our ground-breaking science, our field conservation around the world and engaging millions of people through our two zoos, ZSL London Zoo and ZSL Whipsnade Zoo. For more information, visit [www.zsl.org](https://www.zsl.org)

# ZSL

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