

CEPF SMALL GRANT FINAL PROJECT COMPLETION REPORT

I. BASIC DATA

Organization Legal Name: TRAFFIC International

Project Title (as stated in the grant agreement): Preventing Unsustainable Timber Trade from the Coastal Forests of Southeast Tanzania Following Completion of the Mkapa Bridge

Implementation Partners for This Project: Forestry and Beekeeping Division, Local Government

Project Dates (as stated in the grant agreement): July 1, 2004 – June 30, 2005

Date of Report (month/year): October 2005

II. OPENING REMARKS

Provide any opening remarks that may assist in the review of this report.

The coastal forests of Rufiji, Kilwa and Lindi Districts of southeast Tanzania are not only priority sites in terms of biological importance but are amongst the least studied in the hotspot. Further, they are rapidly becoming the most vulnerable coastal forests due to uncontrolled extraction of timber and other forest resources following the completion of Mkapa Bridge over Rufiji River, the largest bridge of its kind in east and southern Africa. Previously, seasonal flooding of the Rufiji River delta during monsoons resulted in serious isolation south of the river. Improved transport infrastructure is opening up the entire southeast portion of Tanzania to much needed development, which inadvertently exposes the coastal forests to the growing demands of urban and foreign timber markets.

III. NARRATIVE QUESTIONS

1. What was the initial objective of this project?

This project aimed to contribute towards an overall goal of ensuring that during a period of improved access and development in southeast Tanzania following completion of the Mkapa Bridge, coastal forests maintain their biological integrity and continue to provide benefits at all levels. Timber and charcoal extraction is recognized as a major threat to most coastal forests in the hotspot, however, recent infrastructure developments in southeast Tanzania has increased the urgency to ensure that forest degradation does not go beyond the point of no return. Credible and updated information pertaining to the changes in timber and charcoal trade dynamics, together with a fuller understanding of the relationship between increased development and conservation impacts, are needed to guide the practical application of conservation solutions. This project therefore aimed to address these issues by ***conducting field research to compare current timber trade levels with historical transect data and baseline data collected before completion of the bridge.***

2. Did the objectives of your project change during implementation? If so, please explain why and how.

The objectives did not change during the project cycle.

3. How was your project successful in achieving the expected objectives?

It is not an understatement to say that this work has resulted in **greater impacts than originally envisaged**, thanks to the positive management response from the government, development community and private sector following the provision of credible information. Indeed, the past year has witnessed unprecedented increases in awareness, management capacity, trade controls and enforcement:

- **Timber trade controls**- national indigenous hard wood harvest ban (July 2004 to August 2005), and various spatial and temporal harvest and trade restrictions;
- **Capacity** - additional forest staff employed in all districts (including recruitment of TRAFFIC consultant), and the provision of additional transport and budgetary allocations;
- **Enforcement** – confiscation of significant quantities of timber products including 2000 m³ at Dar es Salaam port and over 8000 m³ from village landing sites;
- **Awareness** – unprecedented front-page media coverage lasting one month at beginning of project, with ongoing media coverage throughout;
- **International commitment** – development partners committed to pooling funds and addressing priorities, many of which were recommended by TRAFFIC (e.g. forest resource assessments, initiating independent monitoring); and
- **Private sector** – increased awareness and caution on the part of private sector regarding future investment opportunities and realities within the forestry sector (e.g. Mtwara Development Corridor, maritime shipping industry).

What was originally planned as a project to study the impacts of a major infrastructure project (bridge) on timber trade has led to numerous management interventions and responses from other stakeholders. With regard to **monitoring the impacts of infrastructure improvements** on timber trade dynamics, several changes were successfully documented and disseminated. Completion of the Mkapa Bridge in August 2003 provided a more reliable crossing of the Rufiji River throughout the year, and thus shortened the travel time to the main timber market and transit point, Dar es Salaam. Together with gradual improvements to the main road linking south to Lindi, traders' have justified investment in newer and larger vehicles, whilst there has been an increase in the numbers of traders and foreign investment. Accelerated harvesting occurred almost immediately the bridge was opened, which in turn resulted in changes in targeted species but not prices. Overall, there has been an overall increase in timber trade volumes since opening the bridge, less seasonality, as well as an increased proportion of illegal harvesting and smuggling. Statistical analysis of forest disturbance surveys reveal that transportation distance and truck accessibility have been preventing unsustainable harvesting practises in the past, not the licensing system. Evidence clearly points towards a decline in the impact of the bridge on timber trade dynamics as one moves southwards from Dar es Salaam.

4. Did your team experience any disappointments or failures during implementation? If so, please explain and comment on how the team addressed these disappointments and/or failures.

The project **completed all project deliverables** and thus **delivered on all key results** within the time frame, hence no major problems were experienced.

However, at the higher level, there was a **long time delay** between realizing timber trade was getting out of control and implementing serious management measures. The provision of credible timber trade data to help catalyze management responses was thus modified during the project to ensure a more **holistic view of the real impacts** was advocated. With regard to economic impacts, it was highlighted that actual revenues were a small fraction of the potential government income, with up to 96% of the potential revenue lost as a result of illegal trade and

deficiencies in management capacity. This is much lower than the national average, and higher than a few years previously. With regard to social impacts, it was highlighted how local communities were marginal beneficiaries in timber trade, collecting barely 1/100th the value at the time of export. Indeed, the negative impact on rural livelihoods appears to be the most under-rated effect of poor timber trade management, both in terms of unrealized, lost revenue in the short-term, and the unsustainable depletion of required timber resources for participatory forest management and long-term timber trade. Advocacy also included clear evidence of forest degradation of some coastal forests and miombo woodland.

5. Describe any positive or negative lessons learned from this project that would be useful to share with other organizations interested in implementing a similar project.

Overseas markets, especially China, have had a massive impact on exploitation of Tanzania's timber resources, and will likely continue to do so. Increased overseas demand for Tanzania's hard woods has catalyzed investment in timber harvesting and processing industries, with a total of 15 permanent sawmills counted in the study area targeting hard woods. China is the fastest growing market. Whilst the number of timber traders has increased in recent years – especially during the 'timber rush' of 2003 and 2004 – in reality, relatively few individuals or companies control the majority of timber trade. *It is important for other organizations to recognise the opportunities and threats associated with these global dynamics, and to factor it in to their work. The private sector needs to be involved more in field conservation activities.*

Prior knowledge of an impending export ban accelerated harvesting. Most stakeholders, with the exception of local villagers, recognized that investment and urgency increased in the first half of 2004, when traders realized that exports of indigenous hardwood logs would no longer be allowed. Awareness of impending logging restrictions increased markedly following discussions between government and exporters around the time of the temporary harvesting ban starting December 2003. *Clearly, caution is required when planning and disseminating harvest restrictions to avoid adverse effects.*

Export restrictions had a significant impact but requires reinforcement. Timber law enforcement effectiveness was highest at trade "bottlenecks", and within two months of the indigenous timber export ban on 1st July 2004, the rate of timber harvesting declined significantly. Not only did the volume of timber issued on harvest licences decline immediately, but also so did levels of uncontrolled, illegal harvesting. Various other interventions have had some positive impact, including increases in staffing levels, transport and operational budgets, as well as modified harvest protocols. More recent commitments to enable resource assessments, expedite PFM arrangements, and initiate independent monitoring are encouraging steps taken by the government and development partners. *However, renewed commitment at ports is required following recent and reliable reports of renewed hard wood log exports warrant urgent follow-up at all major ports.*

Low awareness and delayed PFM are local communities' greatest limiting factors. Ironically, where indigenous forests had survived for so long due to their remoteness, low human population and poor infrastructure, they have been overexploited at the most alarming rate. Most of these forests are open access, but even with a forest policy that emphasizes PFM, it is the local communities who have been most disenfranchised. Various poverty-related issues have influenced this outcome, including low awareness at village community level concerning relevant rights, responsibilities and opportunities; low levels of empowerment in managing timber utilization; short-term planning and opportunism as a result of low income levels and desperation; and a lack of livelihood alternatives. In addition, few villages in the study area have fully experienced tangible benefits as a result of PFM initiatives, mainly due to delays in finalizing the process to enable revenue sharing mechanisms, and the discrete, pilot nature of many such projects. Further, timber trade and revenue sharing has been affected by the involvement of influential local leaders, both from government offices and political parties. *It is important for other stakeholders to reinvigorate and swiftly complete existing PFM efforts, as well as engaging*

with coordinated awareness initiatives to increase understanding of the benefits, rights and opportunities of various PFM arrangements.

Limited capacity, poor governance and institutional mechanisms are Government's greatest limiting factors. Uncontrolled harvesting continued despite a good policy framework that adequately covers, amongst other issues, participatory forest management and timber trade regulation. Specifically, relevant government departments suffer from inadequate numbers of appropriately skilled staff, operational equipment and financial resources. Poor coordination between the two ministries involved in forest management has impacted upon the effective implementation of existing laws and procedures, especially planning, research, monitoring, enforcement, revenue collection and sharing. Further, governance shortfalls at central, district and village levels have seriously hampered equitable forest management. *In addition to capacity building, stakeholders should try to include activities as part of their work that increase levels of transparency and good governance, as otherwise capacity building work can be undermined.*

6. Describe any follow-up activities related to this project.

TRAFIC remains committed and engaged on timber trade issues in Tanzania, as well as other countries. In this regard, TRAFFIC is currently engaged in follow-up work with a clear focus on governance as well as providing input to government on various fronts (e.g. legislative review, advice on initiating independent forestry monitoring, timber product pricing guidelines). In the mid-term, TRAFFIC aims to use the experience gained in this project and apply it wider to the hotspot, since it has demonstrated its effectiveness when combined with good advocacy. Further, TRAFFIC plans to initiate fund-raising for training initiatives at major ports in the region as well as targeted research in key producer and transit countries.

7. Please provide any additional information to assist CEPF in understanding any other aspects of your completed project.

Please refer to quarterly reports for additional information.

IV. ADDITIONAL FUNDING

Provide details of any additional donors who supported this project and any funding secured for the project as a result of the CEPF grant or success of the project.

Donor	Type of Funding*	Amount	Notes
WWF Eastern Africa Coastal Forests Ecoregion Programme	A	USD 9 000	WWF provided an additional USD 8 000, focused on conducting a reconnaissance survey of stakeholder perceptions at the time of a logging ban; USD 1 000 was provided to document community based organizations in the study area.
Norwegian Embassy, Dar es Salaam	C	USD 63 500	TRAFFIC contracted to undertake an independent review of stakeholders and institutions involved in resource allocation in the forestry sector, with focus on governance issues.

Embassies of Finland, Norway and Denmark (all based in Dar es Salaam)	D	Substantial	Development partners prioritized funding towards three main activities – (i) supporting forest inventories; (ii) review of institutional relationships; and (iii) independent forestry monitoring.

***Additional funding should be reported using the following categories:**

- A** *Project co-financing (Other donors contribute to the direct costs of this CEPF project)*
- B** *Complementary funding (Other donors contribute to partner organizations that are working on a project linked with this CEPF project)*
- C** *Grantee and Partner leveraging (Other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF project.)*
- D** *Regional/Portfolio leveraging (Other donors make large investments in a region because of CEPF investment or successes related to this project.)*

Provide details of whether this project will continue in the future and if so, how any additional funding already secured or fundraising plans will help ensure its sustainability.

It is envisaged that this project will continue in the future, but in a different dimension – future monitoring of timber trade in southern Tanzania is envisaged to focus purely on the key indicators that have proved successful in previous advocacy efforts, whilst expanding the monitoring scope to cover a selection of sites throughout the entire hotspot.

Indeed, based upon the threat of timber trade to the EAMCF hotspot, recognised need for hotspot-wide monitoring, links to livelihoods, and the lessons learned during this work, a proposal was submitted to CEPF '***Managing the interface between forest product extraction and rural livelihoods in the Eastern Arc Mountains and Coastal Forests (EAMCF) hotspot***'. This project would help ensure ongoing attention is paid to a critical threat to the hotspot, not only in southern Tanzania but in other important biodiversity sites.

In terms of sustainability, this project has succeeded in ensuring some level of sustainability on a number of fronts. Firstly, both the ***increase in government staff capacity in forest management and modified timber trade controls*** are long-term commitments by the Government of Tanzania. Thus, the timely use of information to influence management interventions has helped guarantee actions with a relatively long life span. In this regard, it is notable that one of the primary research assistants involved with this project has since been employed by the local government as a forest officer within the study area. Secondly, the inclusion of TRAFFIC's primary concerns during the ***development of a paper by the development partners*** involved in financing the forestry sector, has again helped to ensure that trade-related concerns receive high attention in the planning by bilateral funding agencies. Thirdly, experience has enabled TRAFFIC to ***better develop and test methodologies and analytical techniques***, and to recommend the most cost-effective techniques for monitoring (using both field and trade indicators).

V. ADDITIONAL COMMENTS AND RECOMMENDATIONS

VI. INFORMATION SHARING

CEPF aims to increase sharing of experiences, lessons learned and results among our grant recipients and the wider conservation and donor communities. One way we do this is by making the text of final project completion reports available on our Web site, www.cepf.net, and by marketing these reports in our newsletter and other communications. Please indicate whether you would agree to publicly sharing your final project report with others in this way.

Yes

If yes, please also complete the following:

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