



THE TRADE IN FOREST PRODUCTS BETWEEN KENYA AND TANZANIA

A report by East African Wild Life Society (EAWLS) in partnership with
Tanzania Natural Resources Forum (TNRF)

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ABBREVIATIONS

BETL	Biomass Energy Tanzania Ltd
CBO	Community Based Organization
CIFOR	Centre for International Forestry Research
EAC	East African Community
EAWLS	East African Wild Life Society
ESDA	Energy for Sustainable Development Africa
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
KEBS	Kenya Bureau of Standards
KEPHIS	Kenya Plant Health Inspectorate Service
KFS	Kenya Forest Service
KRA	Kenya Revenue Authority
MEM	Ministry of Energy and Minerals
MNRT	Ministry of Natural Resources and Tourism
NBS	National Bureau of Statistics
PFM	Participatory Forest Management
RLDC	Rural Livelihood Development Company
SDC	Swiss Agency for Development and Cooperation
SUA	Sokoine University of Agriculture
TAF	Tanzania Association of Foresters
TAFORI	Tanzania Forestry Research Institute
TANESCO	Tanzania Electricity Supply Company
TaTEDO	Tanzania Traditional Energy Development Organization
TBS	Tanzania Bureau of Standards
TFCMP	Tanzania Forest Conservation and Management Project
TFS	Tanzania Forest Service
TNRF	Tanzania Natural Resource Forum
TPHS	Tanzania Plant Health Service
TPRI	Tropical Pesticides Research Institute
TRA	Tanzania Revenue Authority
VAT	Value Added Tax
Kshs	Kenyan shillings
Tshs	Tanzanian shillings
TANAPA	Tanzania National Parks
KWS	Kenya Wildlife Service
TTTA	Tanzania Timber Trade Association
EAC	East African Community
NGO	Non-Government Organisation
NAFOMA	National Forest Resource Monitoring and Assessment
KVTC	Kilombero Valley Teak Company
CSO	Civil Society Organization
CITES	Convention on International Trade in Endangered Species

Executive summary

1. This report shares findings from a study that monitored trade of forest products across Kenya and Tanzania border points. The project was implemented in collaboration between Tanzania Natural Resource Forum (TNRF) and East African Wild Life Society (EAWLS) with financial support from European Union (EU) through Food and Agriculture Organization of the United Nations (FAO) Forest Law Enforcement, Governance and Trade Support Programme. Other organizations that provided support to the project during implementation include, Kenya Forest Service, Tanzania Forest Service, East African Community (protocol on environment and natural resources), Kenya Wildlife Service, TRAFFIC, Tanzania National Parks Authority and Tanzania Timber Trade Association. These stakeholders came together to validate the study findings and make recommendations to the project.
2. The purpose of the study is to provide both Kenyan and Tanzanian decision-makers with information about illegal trade across borders so that efforts to improve transparency and accountability at border points will be prioritized. Specifically, the study seeks to highlight areas where intervention might lead to a system for sound monitoring and tracking to reduce the magnitude of the illegal trade of forest products in the region.
3. The findings are based on fieldwork conducted between May and October 2011 at the Namanga, Holili/Taveta and Horohoro/Lunga Lunga border points between Kenya and Tanzania, as well as analysis of the various laws and policies governing trade of forest products between the two countries.
4. This study has established that there is considerable movement of timber and other forest products across the border between Tanzania and Kenya, and found that timber, poles, charcoal, furniture, wood carvings, paper, and firewood as the main forest products transported across the borders at the three main study locations. The Horohoro/Lunga Lunga border point was found to be the main entry-point for timber, charcoal and wood for carvings, while poles typically enter Kenya through the Holili/Taveta border point.
5. Some of the trade is illegal as it is either not accounted for, or crosses borders at unregulated and unofficial routes. This includes transport of sawn timber with false declarations about grading; the presentation of invalid, false or un-reliable export documents; undervaluation of products; charcoal and wood for carvings transported from one country to the other using unofficial routes. Interviews with traders and officials also confirmed a number of informal trade locations near the borders.
6. Despite the existence of authorities to enforce laws and regulations, there are clearly governance shortfalls and a number of challenges were identified at institutional level in both countries: weak coordination among different responsible authorities, conflicting laws and policies, poor enforcement of laws and guidelines, failure of traders to comply with existing laws and regulations, and corruption and collusion at different levels. Findings also showed that this poorly regulated trade contributes to revenue loss estimated at more than eight million dollars in Tanzania and more than ten thousand dollars in Kenya.

7. Recommendations from the project stakeholders were clear: there is an urgent need to develop a monitoring system for tracking and reducing the illegal wood and wood products trade taking place across border points between Kenya and Tanzania. Firstly a **Memorandum of Understanding** should be agreed between both countries and a joint board established to address issues of harmonization and regulation of laws, policies and procedures; information sharing and standardization of data; promotion of accountability in wood and wood products trade. This will lead specifically to the following recommendations being implemented:

- Coordination, monitoring and enforcement to hold joint meetings, regular dialogue, joint publications and development of training manuals. TFS and KFS hold joint patrols with TRA and KRA; qualified staff assigned to check points; enhance capacity of law enforcers and general public; enhance incentives for public participation in monitoring; review penalties; issue EA certificates of origin; make original permits and specimen signatures available to TRA and KRA.
- Strengthening private sector capacity for viable timber trade, through information sharing between the authorities and private sector, raising awareness on the laws and regulations re trade of wood and forest products, and formulating incentives and disincentives to enhance commitment to abide by business principles for all players.
- Strengthen mechanisms for promoting transparency and accountability through stakeholders' associations, blacklisting defaulters, introducing open office policy, and identifying values and principles that could form the basis of trading terms. Corruption should be addressed in an open mechanism for granting export permits, regional export permit standard, and the use of information and communications technology as well as establishment of designated export processing for timber. Information sharing among officials and minimizing bureaucracy are important in ensuring transparency and accountability. Responsible parties could ensure: cross-border information sharing; implement joint monitoring system; standardization of documentation; reducing number of steps in obtaining a permit as well as establishing one stop border point for easy monitoring.

1.0 INTRODUCTION

Over time, concern has been growing over the apparent expansion of the illegal trade in forest products¹ across the borders between Tanzania and Kenya. Experience from other countries shows, that illegal timber trade can cause unsustainable forest practices, impact negatively on local economies and forest dependent communities as well as increase costs of forest management and accentuate market distortions (UNFF report of 2011²). For example, in Tanzania, the forestry sector contributes to approximately 10% of Tanzania's registered exports alone³; this figure would increase if illegal exports were taken into account. The failures of border agencies to handle the scale of the trade, coupled with inadequate law enforcement are continuously undermining forest management and forest resources in both countries and in the region as a whole (Frans and Tennigkeit, 2010, National Geographic 2010). Although some research has been done on illegal logging in southern Tanzania and its links to the timber trade (Milledge *et al.*, 2007), little is known about the extent and nature of the illegal trade of timber and other forest products across the borders between Tanzania and Kenya. The lack of reliable information was considered a factor limiting decision-makers from taking appropriate action to regulate the timber trade.

These information gaps led the East African Wild Life Society (EAWLS) and Tanzania Natural Resource Forum (TNRF), with financial support from EU through FAO Forest Law Enforcement, Governance and Trade Support Programme, to collaborate on a project that would address some of the challenges to the timber trade between Kenya and Tanzania. The project's main objective was to generate an understanding of the scope of the illegal trade and its underlying causes so that the two governments and other relevant actors can take appropriate and informed action. To this end the project's main strategies are: to research the forest product and timber market patterns of cross border trade; to work with lead government institutions and other stakeholders to develop a system for monitoring and tracking the trade; and to provide information that would strengthen capacity for forest law enforcement and compliance.

Project activities included conducting studies, working with stakeholders, promoting dialogue and sharing information with key and relevant stakeholders. An important part of the project was to research the trade in forest resources between Tanzania and Kenya. The main research activities were to 1) study the forest product and timber market patterns of cross border trade and 2) to identify issues leading to poor governance and inadequate law enforcement in cross border sites.

Between May and October 2011, the study documented on-going transport of forest products at three border points of Kenya and Tanzania, Namanga, Holili/Taveta and Horohoro/Lunga Lunga (Figure 1). A range of research methodologies and tools were used to record and better understand the nature and extent of the illegal trade. Methods included careful recording of observations (notes and photos) combined with questionnaires and in-depth interviews, and a broad range of people were interviewed for information and opinion. For example, officers from national forest authorities (Tanzania Forest Service –

¹Throughout this report, forest products is cited to mean wood, wood products and or timber

² See details in the UNFF (United Nations Forest Forum) website at www.un.org/esa/forests/

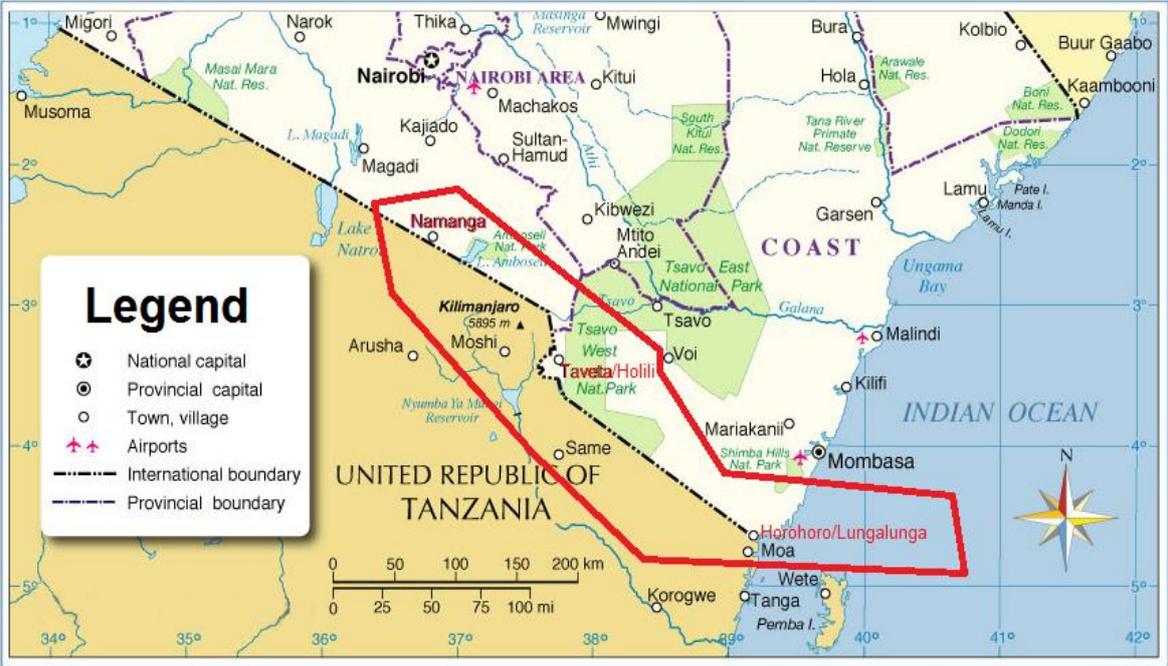
³See details in the Tanzania government website at <http://www.tanzania.go.tz/naturalresourcesf.html>

TFS; and Kenya Forest Service -KFS and customs authorities, people from non-governmental organizations, timber traders, community traders, local government officials, individuals, members of local communities and freight handling companies. The wide-reaching scope of data collection was required so that information about the nature of the trade, its scale, the actors and areas of intervention could be recorded and triangulated. Prior to starting the research, the relevant government authorities in each country (Kenya Forest Service & Tanzania Forest Service) made written commitments to support the work and the findings, and the directors of departments were involved from the beginning. The East African Community (protocol on environment and natural resources), also gave the study its support. Other organizations that provided support to the project during implementation include, Kenya Wildlife Service, TRAFFIC, Tanzania National Parks Authority and Tanzania Timber Trade Association.

The research findings were reported back to involved key stakeholders at a final validation workshop, and taking the participants on a field trip to Namanga as part of the validation process confirmed many of the findings. The workshop came up with a range of recommendations, which are presented in this report.

First the report provides background information about forests and forest resources in Tanzania and Kenya today; then the field survey findings are presented, with description of the forest products, means of transport across the borders, an assessment of the flow and volume of the trade and an estimate of how much revenue could have been collected from this trade had it been legal. The third section provides an overview of the laws and policies in Tanzania and Kenya that regulate forest products and trade and the challenges observed when it comes to implementation. And finally the report provides recommendations based on study findings and the validation workshop.

Figure 1: Map of Tanzania and Kenya indicating the location of Namanga, Taveta/Holili and Horohoro/Lungalunga border points. Source: Adapted from Nations Online Project (2009).



2.0 FORESTS AND FOREST RESOURCES IN TANZANIA AND KENYA

2.1 Overview of Tanzania’s Forests

The total forest area of Tanzania is estimated at 38.8 Million Hectares, which is equivalent to 41% of the country’s landmass (FAO, 2010). This forest area includes 13.5 million hectares of national or local government forests and 25.5 million hectares that fall on either village or general land.⁴ These forests offer economic potential for sale and trade to private traders and government-controlled national forests. The national natural resources website reports that approximately 85,000 ha and 80,000 ha of forest plantations belongs to the state and private sector respectively. In general, forest categories in Tanzania are based on five eco regions: Eastern Arc Mountains in the east, the Albertine Rift in the west, volcanic mountains in the north, miombo woodlands in semi arid areas, and *Acacia commiphora* in the most arid regions (Chamshama and Vyamana, 2010: 91). Table 1 shows five different types of forests in Tanzania based on the eco-regions (Chamshama and Vyamana, 2010). Information about the management of these forests is unreliable due to inadequate and outdated information (FAO, 2010; Chamshama and Vyamana, 2010; URT, 2009).

Forests offer many benefits to people living close to forested areas and even beyond. For example, charcoal is one of the largest industries in Tanzania, employing tens of thousands of rural people and supplying energy to millions of urban households (World Bank, 2009). However, the revenue generated by charcoal industry is not reflected in government records due to either the informal nature of the trade or the illegal conduct of the trade.

Table 1: Prevalence of various forest types in Tanzania

Forest type ⁵	<i>Mangrove</i>	<i>Coastal Forests</i>	<i>Mountain area forests</i>	<i>Miombo woodland</i>	<i>Bushland thicket</i>
Area ('00 Ha)	108	692	18700	215082	165529

2.2 Overview of Kenya’s Forests

Kenya is lightly forested with an estimated 3% of forest cover and an additional 27% of other wooded land cover. The majority of closed forests are upland, broad-leaved forests of either semi-deciduous or evergreen type. The largest areas of upland forests occur on the mountains, Mt. Kenya, Mt. Elgon, and the Aberdare range, and are generally dominated by *Ocotea* species (camphor trees) or *Aningeria* species.

The wood sector is based on timber and other forest products such as paper and pulp industry. However, secondary wood processing in Kenya is not developed to the full

⁴See details in the http://www.mnrt.go.tz/index.php?option=com_content&view=article&id=31&Itemid=34

⁵Table has been adopted and modified from FAO, 2007 cited in Chamshama and Vyamana, 2010. Total area in the table represents 41% of Tanzania’s mainland vegetation cover.

potential for world export—currently, there are only 13 companies operating in the paper and pulp industry, and only one is licensed to process paper directly from forests (the other companies have to use waste paper as raw material). The trade on woodcarvings, aimed at tourist market, is also very lucrative for Kenya's economy. Among many handicraft activities, woodcarving forms the most important component. Research shows that the industry has approximately 80,000 wood carvers and that the industry supports more than eight million people per year, generating an estimate of 5 billion Ksh (\$18.75 million) annually (Kenya Year Book, 2010).

Moderate volumes of sawn timber, wood panels, pulp and paper are produced almost entirely for domestic use. The 2010 forest resource assessment of Kenya forest plantation found that Kenya has 141,000 ha of forest plantations, out of which 100,000 is stocked (FAO, 2010). This area is unlikely to increase in the future because present policy gives priority to the management and conservation of the remaining indigenous forests for provision of environmental services and conservation of biodiversity.

For many years, Kenya has relied heavily on fast growing exotic tree species for plantation development. However, due to outbreaks of pest and diseases, some of the more productive species have become unviable (for example, *Cupressus macrocarpa* and *Pinus radiate*).

3.0 FINDINGS ON THE CROSS BORDER FOREST PRODUCT TRADE

3.1 Types of forest products and how they are transported

Generally, most of the forest products transported across the border points of Tanzania and Kenya come from Tanzania. These forest products include exotic species such as *Cupressus lusitanica*, *Pinus patula*, *Tectona grandis* and some *Eucalyptus* species from plantations in various locations of the country. Other products include furniture, walking sticks, gum, roots, seeds and seedlings, wooden crates and sandalwood⁶ (see Table 1). It was observed that forest products were transported across the borders in cars and vans, on trucks, motorbikes, bicycles, hand carts and donkeys and by head-load (see Table 1). Both the official border crossing points and unofficial footpaths and tracks were used to move the goods across the borders.

Due to the clandestine nature of the trade, especially on the unofficial routes, it was difficult to obtain reliable information about the goods transported, their origins and destinations. However to overcome this, the research teams made daily records of their observations, and in this way were able to compile a general overview of the trade. This is presented below.

Table 1: Observation of forest products being moved across Kenya-Tanzania border points⁷

Forest Product	Mode of transport	Frequency
Timber	Trucks/Hand carts	High
Charcoal	Donkeys/Trucks/Carts etc.	Extremely High
Logs for wood Carvings	Bicycles/Motorbikes	Extremely High
Wood Carvings	Buses/ Hand carts/Pick ups	Extremely High
Poles	Trucks/ Hand carts	Moderate
Fuel wood	Head/shoulder	Moderate
Furniture	Buses/hand carts	Moderate
Papers	Trucks	Moderate
Fiber boards	Trucks	Moderate
Wattle bark	Trucks	Moderate

NB: Moderate =Tens of tones, High = hundreds of tones, Extremely High =Thousands of tones

⁶Trade in sandalwood was not observed or recorded throughout the study partly because the trade has been banned or is not openly carried out.

⁷Table has been adopted and modified from FAO, 2007 cited in Chamshama and Vyamana, 2010. Total area in the table represents 41% of Tanzania's mainland vegetation cover.

Table 2: Trade in forest products at the border points

Forest products	Description
Furniture	Furniture and fixtures are mainly made from both soft and hard wood originating from Kenya and Tanzania.
Wattle barks	Wattle bark from Njombe District (Tanzania) is exported to Kenya for extraction of tannin, mostly through Namanga in small quantities.
Walking Sticks	Wood is harvested from trees known as <i>Engilai</i> in Maasai. The wood is then worked and polished. The price of walking sticks is reported to range from USD \$1 - 1.5 depending on the size and quality.
Gum	Although gum was not observed by data collectors during the survey, Namanga residents explained that local people collect it from <i>Acacia</i> trees (<i>Acacia nilotica</i>) in villages west of Namanga, selling it to traders who then send it to Nairobi
Roots	Although no harvest or trade of roots was observed during the survey, this study found the roots to be used to prepare local medicines
Seeds and seedlings	A nursery operator in the Holili area (with a nursery capable of raising 120,000 seedlings) was reportedly seeking seeds from on-farm trees.
Wooden crates	Simple crates made from slabs and timber for transporting fruits and vegetables particularly tomatoes.
Sandal wood	Information from the Kenya Plant Health Inspectorate Service (KEPHIS) indicates that sandalwood and other valuable wood products from Kenya (especially those falling under presidential decree) are sometimes transported in oil tankers to Tanzania. However, this is difficult to monitor. Sandal wood harvesting is banned in Kenya but a sandal wood factory is licensed to operate in Tanzania.

3.2 Assessment of the volume of forest products

According to the record of observations made over the period between May and October 2011, the flow of forest products from Tanzania into Kenya at the three border points is greater than from Kenya into Tanzania (Table 3). The information gathered from field observation and interviews shows that large volumes of timber, charcoal and logs for wood carvings enter Kenya through the Horohoro/Lunga Lunga border point; poles enter Kenya through Holili/Taveta and Horohoro/Lunga Lunga border points; and paper enters Kenya through Namanga. The study also found that finished products, especially furniture, enter Tanzania from Kenya through the Namanga border point.

Table 3: Estimated volume of forest products crossing the border points

Forest Product	Volume (in M ³) traded from Kenya to Tanzania			Volume (in M ³) traded from Tanzania to Kenya		
	Namanga	Taveta/Holili	Horohoro/Lunga Lunga	Namanga	Holili/Taveta	Horohoro/Lunga Lunga
Timber	0	6	0	4278	4823	15862.87
Furniture	160	17.5	80	51	110	21
Poles	0	0	0	0	1657	1436
Seedlings	0	0	12	0	0	0
Charcoal	0	69	5	0	47	1409
Paper	0	0	0	5958	0	1
Firewood	0	45	2	0	9	32.5
Wooden Carvings	0	0	57	0	0	279

3.3 Observations on the informal cross border timber, charcoal and poles trade

Interviews with traders and government officials confirmed substantial and widespread informal or unrecorded trade in forest products across the official Kenya-Tanzania border points. The study also confirmed that the quantities of wood and wood products declared at the border-points – in particular timber, charcoal, carvings and poles –were often inaccurate, especially those imported to Kenya.

Sawn timber trade: (grading and export documents)

It was observed that records of exported sawn timber are often inaccurate due to poor grading of timber and invalid information on the export documents. In many cases, grading is done on route rather than at source as required by law. This study observed most grading being conducted in Arusha, Moshi, and Tanga – only a short distance to the border. Examination of sawn timber export documents from Tanzania often showed that either the shipment was undervalued or that more wood was loaded onto the shipment after the load was graded.



Plate 1: Sawn timber

Charcoal trade: Survey results show that charcoal is mainly made from indigenous trees (often *Acacia* species), in the villages near the borders of Kenya and Tanzania (Plate 2). For example charcoal is produced near the Namanga border at *Oromanii* village in Tanzania and *Meto* village in Kenya(Plate 3). Charcoal is also made in Lotina village and Mwakijembe



Plate 2



Plate 3

village near at the Holili/Taveta and Horohoro/Lunga-Lunga border points respectively. This charcoal is mostly transported using donkeys, carts, motorcycles, bicycles, trucks, and sometimes carried as head loads (Table 4).

Based on observations and records, the study estimates that on average, 1492 bags of varying weights leave Tanzania for Kenya every day and 525bags per day leave from Kenya for Tanzania.

Table 4: Charcoal movement along the border points per day

Border point	Point of origin	Means of transport	Bags of varying weights	Bags of 28 kg	Destination
Namanga	Oromanii Tanzania	Donkeys, bicycles, motorcycles, trucks, carts, head loads	70 (70kg)	175	Arusha and Kajiado
	Mota Kenya		210 (70kg)	525	
Holili/ Taveta	Lotima (border village)	Motorcycles, carts, bicycles, head loads.	10 (35kg)	13	Holili (domestic)
Horohoro/ Lunga Lunga	Mwakijembe (Tanzania)	Bicycles, motorcycles, trucks	370 (100kg)	1317	Mombasa and Tanga

This preliminary study could be further developed, with more in depth attention paid to the source of charcoal, species of trees used/ harvested, the marketing system, onward trading and the end user, and the way charcoal trade affects the border ecosystem.

Logs for wood carving and woodcarvings:

Woodcarvings were seen at Tiwi village in Kenya at the Lunga Lunga border point and were mainly made from Mkarambati (*Brachylaena huillensis*), Mbambakofi (*Azelia quanzesis*) and Muhuhu (*Brachylaena huillensis*) trees. At Horohoro village, carvings are made from *B. huillensis* that originate from forests in Mkinga district in Tanzania (Plate 4 and 5). In the past African Black Wood (*Dalbergia melanoxylon*) was used for woodcarving but it has now been replaced by Mkarambati wood (*Brachylaena huillensis*). Respondents indicated that the African black wood disappeared from the market and that Mkarambati is getting scarce.



Plate 4: logs of *B. huillensis*



Plate 5: logs of *B. huillensis*

Wood for carvings is mostly transported by bicycles and occasionally motorcycles. The transporters use unofficial routes to Tiwi village in Kenya (Lunga Lunga border point) where the process for making the wood carvings is started (Plate 6). From Tiwi village, semi-finished carvings are transported to Mombasa for finishing and polishing (Plate 7). Some of the finished carvings are exported back to Tanzania through Namanga, Holili and Horohoro border points (Plate 8). What is important to note is that the transactions are not recorded, which contributes to revenue loss to both countries (further explained below).



Plate 6: Initial processing of logs at Tiwi village (Lungalunga border Point)



Plate 7: Semi-finished carvings for export to Mombasa



Plate 8: Finished carvings exported from Mombasa to Tanzania

Poles Trade: This study observed various types and sizes of poles exported from Tanzania to Kenya (Plate 9), mainly for fencing, construction, power transmission and for telephone poles. Treated *Eucalyptus* poles were the most commonly observed and were exported from Tanzania to Kenya through Holili/Taveta border point. Findings show that the number of poles are under-declared (about 10% less on average per truck) on the export forms than were actually transported in order for traders to pay less revenue at the customs. On the import forms in Kenya the actual numbers are declared.



Plate 9: Poles of *Eucalyptus* exported from Tanzania to Kenya

3.4 Estimated loss of revenue resulting from illegal trade.

The study found that there may have been a significant loss of tax and other revenue due to the inaccurate recording of figures and volumes of forest products moving across borders. On the Tanzanian side, field observations and records show that revenue loss is mainly due to undervaluation of forest products in the recorded data in export documents against the actual value of products exported. The study estimates that this amounts to annual revenue losses of 14 billion TSH from under-evaluation of timber and poles, unrecorded volumes of timber, illegal charcoal business and illegal harvesting and sells of logs (Table 5, and Annex 5). It appears that there are comparatively fewer inaccuracies on volumes imported to Kenya.

Table 5: Summary on Tanzania Government Revenue Loss

Factor contributing to the loss	Amount of Loss	
	Tshs	Equivalent USD ⁸
Undervaluation of volume during the process of Timber sorting and grading	6,950,845,200	4,212,633
Timber exported without being recorded	22,470,600	13,619
Illegal Charcoal business	6,505,512,000	3,942,735
Unpaid logs for Carvings	265,190,400	160,721
Under recording of Transmission poles exported	1,000,000	588
TOTAL Loss in a year	13,745,018,200	8,330,314

⁸Exchange Rate: US \$1 was equivalent to Tsh. 1650/= during the study period

4.0 OVERVIEW OF FINDINGS ON THE LEGAL FRAMEWORK GOVERNING FOREST PRODUCTS

4.1 The legal framework and its administration at the border points

The trade of forests products in both countries is guided by a number of laws and legislations including, for example: Kenyan Environmental Management and Coordination Act (EMCA, 1999); Kenya Forest Act (2005); Kenya Timber Act; Constitution of the Government of Kenya (2010); Kenya Energy Act (2005); Tanzanian Forest Act No 14 (2002); Local Authorities Act (1982); Tanzania Land Act (2007); Tanzania Rural Energy Act (2005); and Tanzania National Environmental Management Act (2004). These laws provide mechanisms to promote conservation and protection of forests, establishment of necessary institutions to promote and control forests product trade. But, as mentioned before, the implementation of these laws is undermined by lack of institutional coordination and lack of harmonization of legislations in the two countries. In Kenya, for example, a countrywide partial ban on logging in forests has resulted in timber scarcity in Kenya, pushing up timber prices and providing a pull factor for supply of timber from neighboring Tanzania.

Several public agencies have the mandate to give consent in form of licenses or permits before the trade on wood and wood products can proceed legally. However, the institutions that handle the trade in both countries lack effective mechanisms to harmonize procedures for application and issuing of licences/permits. This means that a trader must seek consent from each institution separately. Clearly, from a trader’s point of view this process is far from ideal, and a ‘one-stop-shop approach might be more useful.

Currently the process and procedures for export of wood and wood products are governed by the Forest Act of Tanzania (2002) and Timber Act of Kenya. In order for a trader to export forest products, particularly timber, the trader needs to follow certain processes. However findings from the border points show that sometimes these procedures are not followed (see table 6 below for detail).

Table 6: Showing the findings of practice in the administration of legal processes

Formal procedure	Observed practice at border points
<p><i>Apply to the forest authority for export of forest products (indicating species, sizes, quantities, source and destination) for the respective year.</i></p>	<p>Some timber trucks recorded on the Kenyan side were not seen on records on the Tanzania side during the survey, & there were discrepancies in the cargo records. Annexes 6, 7 and 8 show how verifying the contents of shipments accurately can be difficult. Trucks may not have export permits and may therefore take steps to avoid the legal processes. Timber yards at Holili border deal with softwood from Tanzania heading to Kenya and it is suspected that shipments pass across the border at night. Wood is transported from Tanzania into Kenya for craftsmen to make carvings for the tourist market, and these are sometimes transported back to Tanzania as finished products. As carvings are made from a wide variety of woods, application for a Convention on International Trade in Endangered Species (CITES) certificate is difficult and even with the certificate, the trader has to also apply for inspection and export permit. The CITES process only applies in Tanzania side, not in Kenya. This is a clear example of the lack of regional coordination on timber-trade regulations.</p>

<p>Once the application is approved by the forest authority (either by Kenya or Tanzania Forestry Service) the trader will apply to the official timber grader for an inspection of products. The grading will be done prior to loading of the consignment and a certificate will be issued detailing species, quality, quantity (pieces and volume), and identification marks of the shipment.</p>	<p>The detail required by the law is not always followed in practice; some trucks loaded with timber are graded as a whole regardless of the number of pieces. It was found that quantities of volumes or pieces entered in the consignment documents do not coincide with the actual quantity of timber exported. In most cases, less timber was indicated on the documents than the actual exported number of pieces/volume. As briefly described before, most of the documents examined at the border points indicated that timber transported from southern Tanzania is either graded in Tanga, Moshi or Arusha without off-loading during the evaluation.</p>
<p>After the grading certificate has been issued, the trader will then apply for a permit to export graded timber from the forest authority. An export permit will then be issued for the consignment outlining quantity, destination and validity period.</p>	<p>The required standard unit of measurement for sawn timber is cubic meter (m³), which is also the base for computing the price and royalties. However, some timber consignments for export were declared in tons or in total number of pieces. Verification of schedules showing the description of the pieces of timber (length, width and thickness) was not included in the export documents. This makes estimation of the volume of timber difficult and provides room to manipulate figures in order to avoid payment of taxes.</p>
<p>The relevant fees and charges must be paid throughout the whole process and the documentation of payment should be kept with the delivery.</p>	<p>Timber deliveries are supposed to be cleared through customs to ensure that procedures have been followed and relevant taxes paid. However, this study found that in most cases, the relevant supporting documents– business registration certificate, approval for export certificates, grading certificates and permit for exported timber – were either not readily available, or were out of date. Most of the official information on exports trade between individual traders and FBD of Tanzania are also confidential, providing opportunity traders to under declare goods.</p>

4.2 Policies and their implementation

While the primary focus of this report is on trade flows and legal procedures, procedural irregularities at the border points show that governance needs to be improved. Therefore the policy framework for trade between Tanzania and Kenya was also briefly examined.

Firstly it was found that existing policies do not directly address the issue of timber sourced from neighboring countries. For example in Kenya there are no barriers to importation of wood and wood products and supplies from Tanzania enter without restriction. Kenya has banned all kinds of forest harvesting in the natural forest reserves and a partial ban is in place on forest plantations, which has created domestic scarcity of wood for industrial processing so that the required forest products are now being imported from elsewhere (including from Malawi and other countries, often through Tanzania).

This study found that forest products cross the borders between Tanzania and Kenya both legally and illegally. This raises questions about the Protocol on Environment and Natural Resources Management of the East African Community (EAC) Treaty. Article 11 paragraph 1

of the protocol states “The Partner States shall cooperate in all activities relating to development, conservation, sustainable management and utilization of all types of forests, trees, and trade in forest products throughout the Community”. The closure of Kenyan forests and the demand it has created for forest products in the region appears to go against the EAC legislation; indeed there does not seem to be clear guidelines recognizing the importance of being able to meet domestic market requirements. A great deal of timber is being exported from Tanzania, much of it illegally, despite the fact that local timber sources are increasingly unable or are inadequate to meet local market and industry requirements. At the moment, legislation appears not to take into consideration domestic contracts when considering import/export levels

Secondly, although the Forest Law(2002), Forest Act (2005), Timber Act (Cap 386) and regulations which are under the administration of Tanzania Forestry Service and KFS exist to provide the overarching framework for forest products regulation, unfortunately at the border points these laws were found to have limited application or are not followed at all. Examples are the logs for used for carvings, the charcoal industry and the export of timber and poles across the borders between Tanzania and Kenya.

4.3 Findings on compliance and enforcement

During this study, enforcement measures were found not to be rigorous. The experience has varied according to sites but typical situations indicate a weak performance on law enforcement, with corruption being reported at all sites.

One problems identified was a functional overlap between agencies, sometimes causing conflict, but often leading to a ‘gap’ in implementation as neither takes up the challenges. The inability of agencies to meet their revenue generation targets was reported, yet at the same time there is no monitoring of wood products trade, which would generate these revenues. For example there were no technical staff responsible for monitoring wood and wood products coming into Tanzania, meaning figures were inaccurately recorded and not all taxes and fees were paid. Generally there was a serious shortage of forestry technical staff at the three border posts on the Tanzanian side: at the Holili border point, staff was only available for three days during the whole four-week period; at Namanga, no forestry staff was posted on the Tanzanian side. This has obvious implications for law enforcement and monitoring processes.

In addition to poor monitoring and lack of rigorous enforcement, there are differing institutional approaches to bringing about compliance: some institutions prefer prosecution and punishment, while others consider that poor compliance is the result of ignorance or limited technical, financial and administrative capabilities among traders.

Specifically, the following examples of non-compliance to regulations and laws were observed or reported during the field surveys:

Compliance during sorting, grading and processing

Sorting and grading of timber ensures guarantees uniform timber size, color and quality, yet in both countries the legislation given is often not followed. Lack of compliance has resulted in under-sized, infected timber products being transported across the border without any legal action taken. While timber is graded in Tanzania, this grading is sometimes done

without offloading the trucks while volume estimates are assumed basing on only what seems to be good timber. This means that grading fees are paid on the basis of what is *presumed* to be good timber and not on the actual volume transported for export.

Compliance in tracking timber

Neither Tanzania nor Kenya has effective means of determining accurately the source of wood and wood products, which makes it difficult to the origins of the products and whether they have been harvested legally. Electronic tracking systems might address this by ensuring effective monitoring of wood and wood products and other emerging technologies could compliment this, with DNA testing as one example⁹.

Confused institutional delimitation and areas of jurisdiction

In addition to existing institutions in border points, other agencies are organized at the district level, including the KFS/TFS, KEPHIS/TPHS and to oversee trade on wood and wood products. Although these institutions have adopted a district based approach to jurisdiction, several of their functions duplicate the functions of other institutions.

Laws dealing with trade on wood and wood products give overlapping mandates to a diverse range of institutions: for example the KFS/TFS, the KEPHIS/TPHS officer and customs. There is often a lack of internal institutional coherence and some of the laws clearly create conflicts. An illustration of these internal inconsistencies is the lack of consultations between concerned officials and institutions with regard to trade on wood and wood products between KFS/TFS and customs.

Gaps, overlaps, and contradictions

There are significant gaps in the legal framework and institutional mandates for trade on wood and wood products, specifically in monitoring and the required technical skills for this. Coupled with shortage of skilled staff at the border points, the lack of guidelines creates an environment in which bribery and collusion can proliferate, and none of the border points have surveillance gadgets or databases that might help to track wood and wood products. For example, on the Kenyan side there are forest staff in all the border points, but their skills and knowledge of existing laws and guidelines on wood and wood products trade are limited. Generally it was found that those traders involved in the illegal trade are well aware of the legal requirements, yet they collude with officers on both sides of the border points, paying them to allow the goods to pass controls without proper procedures being followed.

⁹Singapore has been using the Double Helix Tracking Technologies (DHTT) that uses DNA tests to verify the origins of timber.

5.0 CONCLUSIONS AND MOVING FORWARD

5.1 Main findings

Firstly, findings show that there is considerable movement of timber and other forest products across the border between Tanzania and Kenya. Some of this trade is illegal as it is not accounted for and some crosses borders at unregulated and unofficial routes. Secondly, despite the presence of authorities to enforce existing laws and regulations, generally governance shortfalls in procedures was observed and corrupt practice in some cases were reported. Thirdly at the institutional level, there is no clear coordination among responsible authorities in regulating the trade on wood and wood products across the borders points, and it was even observed that at the border points there was not real interest in the trade. Finally, there is clearly no existing effective monitoring system to regulate the movement and trade of wood and forest products across the border points of Tanzania and Kenya.

5.2 Moving forward; recommendations from stakeholders

Stakeholders in this project were clear at the validation workshop that there is an urgent need to develop a monitoring system for tracking and reducing the illegal wood and wood products trade taking place across border points between Kenya and Tanzania. This would help to address some of the challenges outlined in this report. An increased role for the EAC is also suggested, with Tanzania taking the lead in collaboration with EAC protocol on environment and natural resources. The forest product trade was recognized as important for both Tanzania and Kenya, especially in regard to economic development and sustainable forest management, and it was agreed that there is need for this trade to be regulated and sustainable.

Specific recommendations are:

- **Develop a Memorandum of Understanding (MoU) between Kenya and Tanzania:** A comprehensive MoU could help with collaboration and harmonization of efforts to develop a viable and sustainable forest product trade between the two countries. A joint-board with representatives from both countries should be formed. Some key areas that might be addressed could include: harmonization and regulation of laws, policies and procedures; information sharing and standardization of data; as well as promotion of transparency and accountability in wood and wood products trade.
- **Coordination, monitoring and enforcement:** In addition to the development of a MoU, cross border coordination such as joint meetings, regular dialogue, joint publications and development of training manuals will enhance coordination. TFS and KFS could hold joint patrols in collaboration with TRA and KRA to improve law enforcement, and monitoring could be improved by assigning qualified staff in check points, enhancing capacity building to law enforcers and general public, enhancing the incentives for public participation in monitoring, reviewing penalties, ensuring that official identification marks for both countries are known; issuing EA certificates of origin; and making original permits and specimen signatures available to TRA and KRA.
- **Further research to back up this study:** Topics could include export permits on both sides; harmonization, coordination, collaboration and the levels at which the three should take place; bureaucracy streamlining; investigating/tracking the origin of the

timber; export point and export destination including other wood products like sandal wood and charcoal; investigate items transported illegally in the name of timber.

- **Strengthen private sector capacity for viable timber trade:** Strengthening of the private sector's capacity and involvement in curbing the illegal wood and wood products trade could be done through information sharing; raising awareness on the laws and regulations concerning the trade of wood and wood products. In collaboration with the private sector, authorities could formulate incentives and disincentives to enhance commitment to abide by business principles for all players.
- **Strengthen mechanisms for promoting transparency and accountability:** Transparency and accountability could be increased through formation of stakeholders' associations, blacklisting defaulters, introducing open office policy to enhance transparency, and identifying values and principles that could form the basis of trading terms. Corruption should be addressed in an open mechanism for granting export permits, regional export permit standard, and the use of information and communications technology as well as establishment of designated export processing for timber. Information sharing among officials and minimizing bureaucracy are important in ensuring transparency and accountability. Responsible parties could ensure: cross-border information sharing; implement joint monitoring system and approaches on procedures involving the trade; standardization of documentation; reducing number of steps in obtaining a permit as well as establishing one stop border point for easy monitoring.

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ANNEXES

ANNEX 1: Grouping of Stakeholders involved in the interview

Category of stakeholder	Kenya	Tanzania
CSO, NGO, CBO	Community Forest Associations	Tanzania Association of Foresters, (TAF) Wildlife Conservation Society of Tanzania (WCST), Tanzania Natural Resources Forum(TNRF), Tanzania Forest Conservation Group (TFCG)
Government Institutions	Ministry of Agriculture, Ministry of Water and Irrigation, Ministry of Environment and Mineral Resources , Ministry of Lands, General's Office, Ministry of Energy, and local authorities among others.	Ministry of Natural Resources and Tourism, Ministry of Trade and Industries, Ministry of Regional Administration and Local Government, Ministry of Lands and Human Settlement Development, Ministry of Energy and Minerals, Ministry of East Africa Cooperation, Ministry of Home Affairs and Ministry of Finance.
Semi Autonomous Government Agencies	National Environment Management Authority (NEMA), Kenya Wildlife Service (KWS), Kenya Forest Service (KFS), Kenya Revenue Authority (KRA), KEPHIS Kenya Plants Health Inspectorate Services, Kenya Police, Kenya Bureau of Standards (KEBS)	Tanzania Forest Service (TFS), TANROADS, National Environmental Management Council (NEMC), Tropical Pesticides Research Institute(TPRI), Tanzania Forestry Development Agency (TFDA), Tanzania Revenue Authority(TRA), Tanzania Trading Bureau (TTB),
Private /Business sector Associations	Large commercial and small scale timber traders, Carvers, , Charcoal dealers	Northern Forest Zone Industries Association (NOFIA), Tanzania Forest Industries Association(TAFIA)

ANNEX 2: Structures Questionnaire

1. To the officers: KFS/FBD, TRA/KRA, PHS/KEPHIS

- I. What do you perceive of wood and wood products in the course of your normal duties?
- II. For how long have you worked at this position at this station?
- III. What particular issues do you deal with in this section?
- IV. How does it fare?: Difficult, Complex, Easy to handle
- V. What kind of guidelines do you have from the relevant ministries in respect of this topic?
- VI. What records/data in connection to forest, wood and wood products trade do you maintain at your office?
- VII. How is it processed and to who is it submitted?
 - Standard monthly return prescribed form
 - Standard quarterly return prescribed form
 - Standard Annual return prescribed form
- VIII. What challenges have you encountered in the course of your work in this section?
- IX. What support do you have in handling such problems?
- X. What are your comments in respect of the forest, wood and wood products trade across the border?

2. The Police / Administration Office

OCD / OCS / Magistrates

- I. As the office i/c or Officer Commanding Station, what can you say about the movement of forest, timber and timber products across this post? Firewood, Charcoal, Timber, Furniture, Curving etc
- II. Have you received any cases of forest, wood and wood products moving across this post without official documents?
- III. Are there Panya routes (illegal routes) for various traded items.
- IV. What is your observation in terms of wood and wood products movement using Panya routes?
- V. What types of forest, wood and wood products are traded in the "panya" routes?
- VI. What instruments do you have to deal with such illegal movement
- VII. What comments do you have on the whole set up?
- VIII. What support do you have or would you like to have from the different sectoral ministries.
- IX. Please give your recommendations for better management of the forest/timber/timber products trade across the border.
- X. Do you have any tracking system in place?
- XI. What actions do you take when you get/receive reports of illegality in wood and wood products trade?
- XII. What kind of technological infrastructure would you recommend for monitoring?

ANNEX 3: Detailed explanation on revenue loss from major wood and wood products

Under-evaluation of Sawn timber: Generally the way timber trade is handled has contributed to the Tanzania government losing annual revenue of about 14 billion Tanzania shillings. On the side of Kenya, the losses were observed to be low as a result of tax uplift of imported wood products since volume is not an issue to the timber traders. This situation will not remain static if there will be a change related to taxation procedures. Hence the situation needs to be taken on board as a serious problem considering that traders do change following the prevailing situation. Otherwise a loss of revenue based on charcoal transported to 'No man's land' at Namanga through unmanned '*panya*' routes was estimated to be Kshs 1,091,200 annually.

Case1: Observations made following the study indicated that the timber volume on the consignment documents for export is usually recorded less compared to actual volume carried on the trucks. Verification done through estimation by measuring the timber trucks using a tape showed that there was a big difference between the consignment volume indicated and the estimated volume. Trucks of such cases were seen to be in the region of 8 per day crossing the border. Triangulation from the observations made based on volume recorded and volume estimated, it was realized that the government revenue was in the tune of Tshs 3,998,217,600/= per year on timber passing Namanga border alone (Table 1).

Table 1: Estimated revenue loss based on timber Undervaluation

No	Description	Observations
1	Observed average timber volume documented for export (2lots) ¹⁰	40m ³
2	Same truck volume estimated by measuring was found (4lots)	66M ³
3	Grading fees for 20M ³ lot based on forest regulations is Tshs	70,000
4	Volume not recorded (66m ³ -40M ³) taken as 2 lots	26M ³
5	Trucks crossing the border on daily basis with same problem	8
6	Days in a month that timber cross the border	26
7	Total volume not documented in a year (26m ³ x8x26 days x12months)	64,896
8	Grading fees estimated Revenue loss (2lots x 70,000 x 8trucks x 26days x 12months)	349,440,000
9	Royalty Loss ¹¹ (64,896M ³ /40% logs recovery x 22,490 royalty per m ³)	3,648,777,600
	Total Estimated Revenue loss per year (Tsh)	3,998,217,600

Combining consignment: Based on this system the Namanga border post alone is losing an estimated government revenue of about Tshs 2,952,627,600/= per year from timber and grading royalty (Table 2). Normally the grading fees are paid on the basis of volume recorded. The losses on government revenue presented have been calculated based on grading fees, royalty and stumpage fee from the three border sites.

Table 2: Estimated Revenue loss based on timber consignments

No	Description	Observations
1	Average volume not recorded based on consignment crossing the border (4lots)	79m ³
2	Average number of consignments daily crossing the border with same problem	2
3	Grading fees per 20M ³ lot based on forest regulations	Tshs 70,000
4	Days in a month that such consignments cross the border	26
5	Estimated Volume loss per year (79m ³ x 2 x 26 x 12)	49,296
6	Estimated Government Revenue loss in a year (70,000 x 79m ³ x 2 x 26 x 12 months)	180,960,000
7	Royalty Loss ¹² (49,296M ³ /40% recovery x 22,490 royalty per m ³)	2,771,667,600
8	Total Government Revenue Loss in a year Tshs	2,952,627,600

Timber Exports not documented

¹⁰ Grading fees of Tshs 70,000 is paid based on lots of volumes ranging from 1 to 20m³. eg. Volume of 42m³ is counted as 3 lots

¹¹ The royalty loss will be realised if excess harvesting will take place to cover the volume not recorded otherwise the loss will be on grading fees

- Another trick used by wood handlers to export more volume of timber than what is indicated in the consignment documents is not documenting some products. Cross examination from records originating both from Holili and Taveta border post raise a concern of untraced 6,530 pieces of sawn timber which were not seen on records on the side of Holili border post. Records at Taveta border post indicated more number of timber pieces with supporting documents being imported from Tanzania while at Holili border post no records on the same was found. Such an observed situation can be analyzed in different ways. Either, there have been some hidden documents from Holili customs or false documents are prepared to support declaration of illegally imported timber to Kenya. Alternatively, such timber might have crossed the border without being documented or the timber originate from the “shift timber yard” located at no man’s land leading to Taveta without passing through Holili. Cases of this kind require further investigation to establish realities. Generally, following the timber consignments that could be traced on the side of Taveta border post it was realized that the government is losing estimated revenue of about Tshs. 22,470,600 annually (Table 3). Such a loss excludes volumes underestimated and loss through combined consignments.

Table 3: Timber exports not recorded

No	Description	Quantity
1	Recorded timber export at Holili border post to Taveta post in Kenya	3,600 pieces
2	Same period observed records from Taveta border post with export documents from Tanzania indicated	10,130 pieces
3	Timber exported with documents but not documented for 5 months	6,530 pieces
4	Timber Loss in a year (6,530pieces/5x12)	15,672 pieces
5	The 15,672 pieces of timber is equivalent to 7trucks (15,672/2,500pieces ¹³)	376m ³
6	Number of lots per 20m ³	19 lots
7	Grading fees per 20M ³ lot based on forest regulations is	Tshs 70,000
8	Estimated Revenue loss (19lots x70,000) + (7trucksx10,000)	1,330,000
9	Royalty Loss ¹⁴ (376M ³ /40% recovery x 22,490/=	21,140,600
	Total Government Revenue Loss in a year Tshs.	22,470,600

- Taking an example from Kenya, transport permits are charged for three categories of volumes: Kshs 1,000 for Lorries carrying between 1 to 3 tones, Kshs 1,500 for 3 to 7 tonnes and Kshs 2,000 for over 7 tones. Today most of the Lorries/semi-trailers carry over 50 tones. In this way, revenues are lost.

Charcoal: Free trade:

- The mode of charcoal trade explained above has a major implication on government revenues. It was realized that the Tanzania government is losing revenue of about Tshs 6,505,512,000 per year (Table 4) and Kenyan government is losing about Kshs. 1,091,200 per year (Table 5)

Table 4:Tanzania-Revenue loss on charcoal per year based on royalty and stumpage fee

No	Description	Quantity
1	From the 3 border points charcoal traded per day (28kg) Tanzania side	1,492 bags
2	Royalty loss is estimated at (1,492 bags x Tshs 3,500 per bag of 28kg)	5,222,000
3	Stumpage fee -wood used for charcoal (304m ³ x120,000/-) ¹⁵	36,480,000
4	Total Revenue loss per day on charcoal (2+3 above)	41,702,000
5	Estimated Revenue loss in a year (41,702,000x26dysx6months) Tshs	6,505,512,000

¹³ Based on records a truck of 60m³ usually carries about 2,500 pieces of sawn timber (4.5m x 2.54cm x20.32 cm)

^{2 and 14} The royalty loss will be realised if excessive harvesting will take place to cover the volume not recorded

¹⁵ Based on studies done on charcoal processing (Malimbwi et al 2007) indicates that 1 m³ of wood yields 2.6 bags each weighing 53 kg. (4.9 bags of 28kg) hence 1492/4.9 gives 304m³ of wood

Table 5: Kenya-Revenue loss on charcoal per year based on licenses, royalty and stumpage fee

No	Description	Quantity
1	From Namanga border point charcoal traded per day at no-man's land alone	525 bags
2	Royalty loss is estimated at (525 bags x Ksh.20 per bag x 6 months)	63,000
3	Transportation permit for a 7 tons lorry x Kshs 2,000 x 2 lorries x 2 months	24,000
4	Revenue loss to KEBS for standardization mark Ksh.4 x 525 x 2 months	4,200
5	Revenue loss on business permits and licensing 500 traders x Ksh.2,000	1,000,000
6	Total Revenue loss per year on charcoal (2+3+4+5 above)	1,091,200

Wood carvings:

- While logs for carving are traded at the border points there is neither royalty nor taxes collected for the government. The authorities responsible for forest management and revenue collection should be aware of the activities going on and take concise measures including collecting royalties and revenues due while ensuring protection of the catchment values of the forests. The actual amount of wood extracted for carvings is not established despite the huge open area seen without trees. The business of wood carvings across the border points indicated that there is a loss of revenue of about Tshs. 265,190,400 per year (Table 6).

Table 6: Tanzania-Revenue loss on carvings at Horohoro border point

No	Description	Quantity
1	An average number of bicycles per day	25
2	Average number of logs per bicycles per day 1.25m x 25cm	6
3	An average volume carried per day (3.14x.25 ^{2cm} x1.25m x 6 x 25)	9.208m ³
4	Mkarambati is in class 1B and the stumpage royalty per m ³ is Tshs	160,000
5	Observations - activity operates for 30dys for 6 months in a year (days)	180
6	Revenue loss estimated for one year (9.2x160,000x30x6) Tshs	265,190,400

Note: The revenue loss does not take into account grading fee and consignment fee

Less volume recorded on poles:

- Based on this scenario and based on assumption that an annual export allocation of 2,000 poles is granted by TFS on annual basis (documents for wood products export are said to be confidential) the government revenue loss is estimated to be Tshs. 1,000,000 per 2,000,000 poles excluding grading and consignment fees (Table 7)

Table 7: Estimated Tanzania-Revenue loss on transmission poles (stumpage fee for Eucalyptus poles)

No	Description	Quantity
1	An average number of poles indicated on transporting documents (7days)	450pieces
2	Under estimation of poles over the same period of observation (10%)	50 pieces
3	Assumption: Annual export permitted poles (records were not released)	2,000pieces
4	Estimated poles not recorded (2,000 x 10%)	200 pieces
5	Cost per 10 meter transmission pole	Tshs5000
6	Total Revenue Loss in a year (200 x5,000) Tshs	1,000,000

ANNEX 4: Comparison of timber export records at either side of the border post at Namanga

Namanga Tanzania leading to Namanga Kenya						
	DATE	VEH. REF	OBSERVED VOL M3	TRANSIT PASS M3	EXP PERMIT M3	REMARKS
1	20/09	TA1/TB1	72	72 (1000PIECES)	72(1000PIECES)	OPEN
2		TA2/TB2	72	72(1000PIECES)	72(1000PIECES)	SEALED
3		TA3/TB3	79	79(1800PIECES)	79(1800PIECES)	SEALED
4		TA4/TB4	72	72(1000PIECES)	72(1000PIECES)	SEALED
		TA5/TB5	79	79(1800PIECES)	79(1800PIECES)	OPEN
	Sub total		374*	374* (6,600PIECES)	374(6,600PIECES)	
Namanga Kenya leading to Nairobi						
	20/09	TA1/TB1	72	72		SEALED
	21/09	TA2/TB2	72	72		SEALED
	20/09	TA5/TB5	72	72		OPEN
	20/09	TA3/TB3	72	72		OPEN
	20/09	TA6/ TB6	72	72		SEALED
	S total		360*	360*		
Namanga Tanzania leading to Namanga Kenya						
	3/10	TB1/TC1	77	77(1000)	77(1125PIECES)	EX-MALAWI
	3/10	TB2/TC2	77	77(1125)	77(1100PIECES)	
	3/10	TB3/TC3	79	79(1114PIECES)	79(1125PIECES)	
	4/10	TB4/TC\$	79	79(1070PIECES)	79	
	8/10	TB5/TC5	79		78(1500PIECES)	TO KITUI
	S total		391**	312	390	
Namanga Kenya leading to Nairobi						
	2/10	Namanga Kenya leading to Nairobi	72		72	
	3/10	TB3/TC3	72		72	
	4/10	TB1/TC1	72		72	
		TB2/TC2	Could not be	Traced		
	8/10	TB4/TC\$	72		72	TO KITUI
	S total		288**		288	

NOTE:

1. Vehicle registration **TC2/TD2** which was recorded on the Tanzania side on 4th October 2011 could not be traced on the records on the Kenyan side. It may have landed at the No man's land and offloaded the cargo which could have gone into the black market.

2. *A one day consignments volume recorded at Tanzania side (374m3) does not tally with the records on the Kenyan side (360m3) . There is a difference of 14 m3 which could have been offloaded at the no mans land or a falsification of documents or under declaration after they crossed the border.

3. ** Record indicates 391m3 were exported through Namanga Tanzania side but the same consignments are recorded as 288m3 on the Kenya side. An amount of 103m3 has dropped off into the black market.

Some timber trucks recorded on the Kenyan side were not seen on records on the Tanzania side during the survey, hence verification on those trucks posed a challenge as to whether those trucks passed legally or not (Appendix 10b). Appendix 10c: shows poles movement across the border with a single day observation where a difference of 50 poles was recorded (10% loss).

ANNEX 5: Timber and poles movement across the border post of Holili/Taveta

s/N	Date	No of trucks	Product	Origin	Recorded Quantity		Remarks
					Holili	Taveta	
1	May 2011	8	Soft wood timber	Himo	-	9,700pieces	Tz no record
		1	Soft wood timber	Himo	1200pieces	1260	Difference 60pieces
		1	Soft wood	Moshi	-	20 tons	Tz no record
		1	Treated Euc poles	Tanga	-	100 pieces	Tz no record
	June 2011	1	Soft wood timber	Himo	1200 pieces	1,250 pieces	Difference of 50pieces
			Soft wood	Himo	-	20 tons	Tz no record
		4	Treated Euc poles	Tanga	-	400 pieces	Tz no record
	July 2011	2	Soft wood timber	Himo	-	900 pieces	Tz no record
	Aug 2011	4	Soft wood timber	Himo	-	4,210 pieces	Tz no record
		1	Soft wood	Moshi	1200 pieces	1,260 pieces	Difference of 60 pieces
		7	Treated Euc poles	Tanga		700 pieces	Tz no record
	Totals		Soft wood timber		3,600 pieces	16,880 pieces	Difference of 13,280pieces
			Soft wood timber		-	40 tons	Difference of 40 tons
			Treated Euc poles		-	1200 pieces	Difference of 1200 poles

ANNEX 6: Record of one day treated Eucalyptus poles movement across Holili/Taveta post

Date	Vehicle Registration	Goods (Origin)	Recorded		
			Tz (pieces)	Ke (pieces)	Difference
16/9/11	T E1 / TF1	poles (Tanga)	90	100	10 poles
	TE2/TF2	poles (Tanga)	90	100	10 poles
	T E3/ T F3	poles (Tanga)	85	100	15 poles
	T E4/ TF4	poles (Tanga)	100	100	-
	T E5/ TF5	poles (Tanga)	85	100	15 poles
Sub total			450	500	50 poles

ANNEX 7: Roles and Responsibilities of Institutions Involved in the Timber Trade

Inst	Kenya	Tanzania
KFS/TFS	Has the mandate to manage the nation's forest assets and provide high quality forestry-related products and services	Authority over all Forest and Forestry matters in Tanzania:- -Management of the Forest Estate -Implementation of the laws and regulations -Gazettement of Forest lands -Training and posting of Forestry Staff
KBS/TBS	The Kenya Bureau of Standards (KEBS) is a <u>government agency</u> responsible for governing and maintaining the standards and practices of <u>metrology</u> in <u>Kenya</u>	Authority over the National Standards of the goods and materials for use in the country:- -Over all supervisor and custodian of the TBS Act and regulations. -Industrial merchandise is produced or manufactured following established standards -Imported merchandise meets with the national standards before entering the local market -Deal with defaulters by fining and or prosecuting them
KRA/TRA	The Kenya Revenue Authority (KRA) is the <u>tax</u> collection agency of <u>Kenya</u> .	Authority over the collection of government revenues:- -Supervision and implementation of the Tanzania Revenue Act 1. Oversee collection of customs 2. Oversee compliance by taxpayers 3. Oversee taxpayer education all over the country
Police	The Kenya Police is a national body in charge of law enforcement in the East Africa State of <u>Kenya</u> .	The overall responsibility of law and order in the country:- -Protection of civil rights -Apprehend law breakers
KEPHIS/TPHS	The Kenya Plant Health Inspectorate Service (KEPHIS) is a State Corporation established in October 1996. The Corporation's activities and services involve offering inspectorate services on all matters related to plant health and quality control of agricultural inputs and produce.	The supervisor of Plant health services in the country:- -To ensure that pests and diseases are controlled. -Inspect and ensure that any plant or part thereof leaving the country is safe and free from all sorts of pests and diseases. -Inspect and ensure that any plant or part thereof entering the country is safe and free from all sorts of pests and diseases. -To provide public awareness of the requirements for moving plant (dead or alive) across the borders

ANNEX 8: Workshop Recommendations, suggested solution and responsible institutions

TRANSPARENCY AND ACCOUNTABILITY		
Issues/Hindrances	Suggested Solutions	Institution Responsible
Ethics and commitments	<ol style="list-style-type: none"> Form stakeholders associations <ul style="list-style-type: none"> Support formation of associations To identify values Blacklisting of defaulters Open office policy 	<ul style="list-style-type: none"> Public and private sector, CSOs, Law courts
Corruption	<ol style="list-style-type: none"> Open mechanism for export permits Regional export permits standard Technology Designated export/processing for timber e.g. Mafinga 	<ul style="list-style-type: none"> TNRF, EAC, EAWLS, SADCC, PCCB, KACC
Information sharing	<ol style="list-style-type: none"> Cross border information sharing (MoUs) Standardization of documentation Improving information sharing within the countries Joint monitoring system 	<ul style="list-style-type: none"> WWF-CEAI IUCN, TRAFFIC, Government agencies, stakeholders
Bureaucracy	<ol style="list-style-type: none"> Joint approach One stop border point Reduce number of steps for obtaining permits FAO-commission a study on permits/best practices 	<ul style="list-style-type: none"> TIC, BEST program, FAO, Government agencies, stakeholders
ADMINISTRATION/ MANAGEMENT AND PLANNING AND LEGAL FRAMEWORK		
Licensing & Permits	<ol style="list-style-type: none"> Delegation of issuance office (preferable district level) Sensitization and awareness raising at all levels (EA, DRC Etc) Joint training on identification of forged and/or fake documents Have staff from KFS and TFS for verification of permits and related documents 	<ul style="list-style-type: none"> TFS, KFS, TRAFFIC TNRF, Forensic Institutions; e.g. Interpol, Kenya Police, Tanzania Police
Grading Lack of staff at source and exit point Lack of knowledge of grading by law enforcers	<ol style="list-style-type: none"> Trained law enforcers Have scanners at least at entry and exit points Employment/recruitment of staff where there is shortage 	<ul style="list-style-type: none"> TFS, KFS, TRAFFIC TNRF
Transportation	<ol style="list-style-type: none"> Place staff at point of entry/exit Enforce laws as they are stipulated in the law at respective countries 	<ul style="list-style-type: none"> TFS KFS KRA TRA
Gaps in Legal Framework	<ol style="list-style-type: none"> Harmonization of laws, rules & regulations 	<ul style="list-style-type: none"> TFS KFS EAWLS TNRF TRAFFIC & other NGOs

<ul style="list-style-type: none"> Conflicting laws between Mainland Tanzania and Zanzibar <p>No grading in Kenya (buyer - seller agreement) but grading in Tanzania</p>		
<p>Border Control & Checks</p> <ul style="list-style-type: none"> Volumes of goods declared in Tanzania are not the right volumes, e.g. 72 cubic metres are declared as 40 cu.m 	<ol style="list-style-type: none"> Place officers from TFS at the point of origin Networking among the agencies 	<p>KFS, TFS, KRA, TRA</p> <p>Other government agencies, e.g. KEPHIS, Ministry of Agriculture and Livestock (Tanzania)</p>
<p>COORDINATION, MONITORING AND ENFORCEMENT</p>		
<p>Information Sharing</p>	<ol style="list-style-type: none"> MoUs between Kenya and Tanzania Periodic meetings Publications Website to upload information related to wood and wood products trade 	<ul style="list-style-type: none"> KFS, TFS KFS, TFS NGOs, KFS, TFS KFS, TFS
<p>Institutional cross border coordination and dialogue</p>	<ol style="list-style-type: none"> Enhance membership of meetings – quarterly (KFS, TFS should participate in these meetings with KRA, TRA) KFS, TFS to organize regular meetings 	<ul style="list-style-type: none"> KRA, TRA KFS, TFS
<p>Law Enforcement and Compliance</p>	<ol style="list-style-type: none"> TFS, KFS, TRA, KRA, Security joint patrols KFS, TFS staff placed in check points Capacity building for law enforcers and general public Incentives for public participation Compliance of Buyer/Seller agreements Review penalties 	<ul style="list-style-type: none"> KFS, TFS TFS, KFS KFS, TFS, NGOs KFS, TFS KFS, TFS KFS, TFS
<p>Checks and Balances</p>	<ol style="list-style-type: none"> Joint Board to oversee the implementation of MoUs Official marks for both countries should be known EA Certificate of Origin should be issued Original permits should be made available to TRA and KRA Specimen signatures to be made available 	<ul style="list-style-type: none"> TFS, KFS, KFS, TFS KRA, TRA KFS, TFS TNA, KRA

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