

**ITTO Sign with the Government of Gabon the Agreement for the implementation of the project
“Operational Supportive System for Promoting the Further Processing of Timber in Five Countries of the Congo Basin”**

Libreville, Gabon, 14 June 2010.

At the opening ceremony of the workshop *“Towards a strategy to promote the forest industry development in the Congo Basin: challenges and perspectives of Gabon”*, co-organized by the Government of Gabon, the Interafrican Forest Industries Association (IFIA), the FAO and the ITTO, Mr. Emmanuel Ze Meka, Executive Director of ITTO and his Excellency Mr. Christian MAGNAGNA, Minister of Water and Forest of Gabon, signed the agreement for the implementation of the project *“Operational Supportive System for Promoting the Further Processing of Timber in five countries of the Congo Basin”* (CFC/ITTO/81 – PD 457/07 Rev.5) with a total value of US\$1,887,714.00

The agreement was signed in the presence of the representative of the donor, the Common Fund of Commodities (CFC), Ms. Yukiko Tomihisa, which has provided the funds for the execution of the project in the amount of US\$1,253,345.00, additional US\$634,369.00 will be provided as counterpart contribution.

The Project to be executed by the Economic Community of Central African States (ECCAS) will have coverage in Cameroon, Gabon and Central African Republic with dissemination activities in the Democratic Republic of Congo and the Republic of Congo. The Project will establish a supportive mechanism for stakeholders in the timber processing industries with the aim of boosting the countries’ small-medium enterprises (SMEs) potential of exports of processed timber products, through:

1. Setting up a light and functional structure for supporting the production of high added value timber products;
2. Conduct a baseline study of the timber processing value chain and assess its potential for growth;
3. Establishing an action plan to address the needs of the SMEs and artisanal sector in order to up-grade them in the value chain through value addition, employment generation and income increase.

The financing of this project has arrived at appropriate times, when the government of Gabon in its efforts to increase investment and value addition at domestic level, has banned the export of logs, and therefore is working in creating a strategy to accelerate the participation of the private sector in the industrialization of timber from first to third stage processing, as mentioned by the Primer Minister of Gabon, his Excellency Paul BIYOGHE MBA and by the Minister of Water and Forest, his Excellency Christian MAGNAGNA in their opening speeches.

While the representative of CFC highlighted the long collaboration with ITTO, and noted that the project is the second CFC’s intervention in the forestry sector in Gabon, she also stressed the regional relevance of the project, as the countries involved in its execution represent 27% of the total world production of tropical logs, and the project’s expected outputs are in conformity with the overall objectives of the Common Fund regarding value addition for agricultural and environmental commodities.

ITTO’s Executive Director stressed that further processing of timber, plays an important role in the development of tropical countries, as its generates employment, in particular in rural areas, diversifies trade, introduces technology transfer, creates basic infrastructure in local communities, and improves the trade balance.