

ITTO ACCRA ACTION PLAN FOR THE DEVELOPMENT OF INTRA-AFRICAN TRADE IN TROPICAL TIMBER AND TIMBER PRODUCTS

INTRODUCTION

The ITTO International Conference on the Promotion of the Intra-African Trade in Timber and Timber Products, held in Accra 30 June to 2 July 2009 concluded with the following Action Plan to make use of the significant opportunities offered by African markets and to remove the main constraints in trade development.

Potential for increased trade

The imports of African countries in timber and timber products is valued at about USD 4.4 billion of which only less than 10% originates from the region itself. The region represents a huge opportunity for the development of intra-African trade, particularly from the ITTO producing member countries. The medium and long-term market outlook is positive driven by economic and population growth in the region but the African producers need to improve competitiveness to increase their market shares. Most African countries are already net importers of timber and timber products, and the available supply will not be sufficient to meet the regional demand without concerted efforts in sustainable management of natural production forests and major investment in the establishment of planted forests.

Main constraints

The main constraints faced by African suppliers in the regional markets were identified both in the legal and policy framework and the capacity of the private sector. The former includes high tariff barriers in processed products, bureaucratic customs and inspection procedures and associated high transaction costs, corruption, inappropriate taxation and inadequate incentives, lack of sub-regional harmonisation of the national regulatory frameworks, competition from illegal harvesting and trade, and deficient statistical information on production and trade. In the private sector the main constraints include lack of market information, weak marketing capability, high transaction costs of legal operations and competition from the illegal operations, multiplicity of documentation requirements in exporting and importing countries, limited access to trade finance; limited secondary processing capacity, low quality and design competitiveness of further processed products, and intense competition from outside the region. Among the buyers in importing countries, there is limited knowledge on African timbers and suppliers among potential buyers due to lack of necessary promotional activities and the image of African suppliers as reliable trading partners also needs improvement.

ACCRA ACTION PLAN

Private sector

1. In partnership with government agencies, organise market promotion missions, business roundtables and participation in trade fairs and exhibitions to establish direct contacts with potential buyers in selected key markets (Northern and Southern Africa, Nigeria, etc.); this activity should be preceded by the production of necessary promotional material and product samples and training in effective participation in trade fairs.
2. Trade and industry associations should establish a sub-regional/regional network for exchange of information and promoting common interests in trade facilitation and development as well as international policy issues
3. Trade and industry associations should develop self-regulation (e.g. by codes of conduct) and engage in improving legal compliance and sustainability of their forest and raw material procurement operations including certification and independent verification
4. Industry and trade associations to develop their own strong market information systems.
5. In countries which have problems of raw material supply but available industrial capacity for developing exports of further processed products, engage in utilization of lesser used species and importation of logs and primary processed products as an interim solution for the problem of raw material supply; for the long-term development invest in the establishment of plantations.
6. Enterprises to invest in retooling, processing of lesser-used species and value added manufacturing, and to promote associated innovations and transfer of technology.

Governments

1. Reduce import tariffs of timber and timber products to the agreed levels and eliminate them in the long run to promote free movement of these products in Africa.
2. Strengthen monitoring of the cross-border trade between neighboring countries to improve legal compliance and to remove inappropriate practices such as double documentation for exportation and importation of timber and timber products
3. In partnership with the private sector, carry out trade promotion activities in the potential African markets.

4. Review the existing regulations and procedures as well as the taxes, fees and charges to reduce the transaction costs of trade in timber and timber products; and improve the incentives for further processed production to improve the competitiveness of export industries.
5. Streamline trade payment rules and establish ICT platform promoting introduction of electronic trade documentation with the purpose for unifying customs and other procedures to reduce potential misconduct and unnecessary delays.
6. Improve the legality assurance systems including timber tracking and appropriate control procedures (including control measurements of the loaded volumes in ships) and other aspects of legal compliance considering the entire supply chains, and engage in the FLEGT VPA process, involving all the relevant stakeholders.
7. Recognize information as a strategic area of forest sector management with specific reference to production and trade, and improve the information systems to provide up-to-date and reliable data for monitoring and policy design, including periodic surveys of the informal sector.
8. Through a participatory process involving various stakeholders, develop policies and strategies to remove illegal operations and to enhance the social and economic contribution of the informal sector in the supply chains of timber products based on legal and sustainable sources; this often requires studies on the size and characteristics of the domestic market and the role that the informal sector is playing in the supply chains.
9. Consider the needs of the trade of timber and timber products in the development of communication infrastructure as well as road, railway and river transportation and port facilities.
10. Invest in for R&D, including provision of appropriate incentives, specifically for utilisation of lesser-used species
11. Strengthen education and training in and other incentives for further processing, quality control and product design, marketing and market intelligence, including foreign language training, particularly in the education on forest products marketing.
12. Develop and implement appropriate public procurement policies for timber and timber products to promote markets for legal and sustainable products

ITTO, FAO and Other International Organizations

1. Co-sponsor trade promotional fairs and business-to-business roundtables in the region to be organized by the private sector organizations in ITTO producing member countries
2. Continue to organize capacity building workshops for improvement of statistical data on trade and production and specifically support the countries which do not yet have basic capacity to collect and produce necessary information such as Nigeria and Liberia
3. Improve the transparency of markets for tropical timber and timber products in the African region through (i) detailed studies on market opportunities in selected major African consuming countries (e.g. the Republic of South Africa, Nigeria, Egypt, Algeria, Morocco, etc.), (ii) inclusion of key African import markets in the bi-monthly ITTO Market Information Service, and (iii) improvement of statistical information on trade and trade flows in Africa.
4. ITTO to include in its website a special section containing information on African timber species, their physical, mechanical and chemical characteristics as well as their processing and utilization properties; and include links with information on potential supply sources.
5. Involving the ITTO Trade Advisory Group and in cooperation with FAO and ATIBT, organize a regional workshop on harmonization of (i) nomenclature of trade names of African timber species, (ii) timber measurement, (iii) grading rules, and (iv) timber and timber product standards; and design and implement a follow-up implementation process.
6. Strengthen market intelligence units in ITTO member countries by supporting the existing networks and encouraging industry and trade associations to develop their own strong market information systems.
7. Continue ITTO's work to promote lesser-used species by supporting R&D on their characteristics and applications
8. FAO, ITTO and WTO to carry out a comparative study on existing tariff barriers and reasons for the lack of implementation to reduce tariffs to agreed levels.

Regional organizations

1. Within their existing strategies, ECOWAS, CEEAC (with COMIFAC), SADC and Maghreb, in cooperation with ITTO and WCO, should organize workshops and follow-up implementation processes to improve customs procedures and cooperation between national customs agencies in order to facilitate trade, and to strengthen staff skills related to timber and timber products as these require specialized knowledge on products (identification of species, measurement, etc.).

2. Sub-regional economic organizations should (i) support detailed studies on tropical timber trade (particularly in Western and Central Africa) to identify trade opportunities and measures to facilitate trade between their member countries in order to improve governance and legality of the supply systems of timber and timber products; and (ii) organize technical validation of the recommendations with relevant partners, including the private sector, government agencies and international organizations such as ITTO and FAO.
3. ECOWAS, CEEAC and SADC should develop strategies and policies and action plans for sub-regional cooperative action to effectively remove tariffs and reduce other trade barriers of trade in timber and timber products between their member countries in order to promote legal trade of timber and timber products from sustainable sources
4. Seek for technical cooperation with the European Union to share knowledge and experience in timber trade facilitation (harmonized documentation, digitalized procedures, etc.)
5. Explore appropriate mechanisms to increase high-level political will in regional and sub-regional organizations and their member states to reform the regulatory and policy framework of tropical timber trade in the region.

Implementation and monitoring mechanism

In order to follow and support the implementation of this Accra Action Plan the following arrangement will be put in place

1. ITTO was called to act as the coordinating monitoring body to pursue the implementation of this Accra Action Plan for the Development of the Intra-African Trade in Tropical Timber and Timber Products and liaise with FAO and other international, regional organizations and other actors on specific activities.
2. Ghana Timber Millers' Association and IFIA (in cooperation with chambers of commerce, as appropriate) were called for to make contacts with their sister organizations in the region to set up the private sector network for exchange of information and to promote common interests, and in due course, explore the feasibility of formalizing such an arrangement under rotating leadership
3. ECOWAS and CEEAC were called to establish a committee of experts including representatives of governments, private sector and other stakeholders to prepare the terms-of-reference for the strategic study on free movement of forest products in the sub-region and prepare a roadmap for the implementation of its recommendations

4. Governments were called to establish a multi-stakeholder working group to follow up the implementation of recommendations made for the private sector and governments and periodically report on progress to ITTO.