

THEMATIC PROGRAMME ON TRADE AND MARKET TRANSPARENCY

Programme Profile

RATIONALE

International tropical timber markets are undergoing structural changes in the face of changing global demand and supply patterns and market requirements. Transparency is essential for promoting international trade in timber and other products from sustainably managed and legally harvested tropical forests. Improvements in market transparency that need to be addressed include assessments of future demand and supply, the description of value chains for tropical timber products, end uses, characteristics of markets (including domestic markets in tropical regions), and factors influencing market conditions and the competitiveness of tropical timber producers. Enhanced market information on non-timber forest products (NTFPs) and a better knowledge of international market opportunities would help the development of forest-based small and medium-sized enterprises (SMFEs), which dominate the NTFP sector. Other specific information gaps include markets for lesser-used species and new plantation timbers.

Public and private timber procurement policies and emerging regulations designed to promote trade in legally produced timber and timber products represent new challenges, especially for tropical timber exporters. Non-tariff barriers and tariff escalation, technical, health and sanitary standards and product specifications in major import markets are also evolving and influencing market requirements for timber and timber products. There is a need to monitor these developments and to support tropical timber producing countries in meeting the challenges they pose. Consumption and trade can be encouraged by communicating the environmental credentials of tropical timber and timber products to buyers, consumers and other stakeholders.

The lack of adequate information makes it difficult to improve national policy and regulatory frameworks and thereby to promote trade in timber and other products from tropical forests. Many ITTO producer member countries will benefit from strengthening information systems concerning the forestry sector and domestic and export markets for forest products.

GENERAL OBJECTIVES

The general objectives of this Thematic Programme would be to: (i) increase the capacity of producer member countries to develop and employ market intelligence and marketing skills; and (ii) improve market transparency through improved data and analysis.

PROGRAMME STRATEGY

The Thematic Programme would operate at two levels: (i) the country level, to build capacities to monitor existing markets and develop new markets for products derived from tropical forests and to promote the trade in tropical timber from sustainably managed and legally harvested sources; and (ii) at the regional/international level, to improve market transparency and share experiences on trade and trade promotion.

Activities could include support for:

- the development of market information systems and training on statistical and economic information, market intelligence and marketing for all forest products and services;
- studies and exchanges on:
 - domestic, regional and international market opportunities,
 - substitution and competitiveness in relation to competing materials and non-tropical timber and non-timber products,
 - factors which influence the markets for and competitiveness of tropical timber and timber products and NTFPs,
 - systems for forest certification,
 - procurement and other relevant policies,
 - export/import procedures
 - timber-related technical, safety, health and environmental standards and regulations;
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- the development of product standards, grading rules and quality control systems for tropical timber products and NTFPs;
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- strengthening the capacity of and cooperation among customs authorities; and
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- the improvement of communication on the environmental credentials of tropical timber and timber products.

ANTICIPATED OUTPUTS/OUTCOMES

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- The intended outcomes of the Thematic Programme would be: (i) improved market transparency for tropical timber and timber products and NTFPs; (ii) strengthened country capacity in market intelligence, information systems and trade promotion; and (iii) improved market conditions that promote trade in tropical timber and timber products and NTFPs.

POTENTIAL PARTNERS/COLLABORATING AGENCIES

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- The Thematic Programme would be implemented in close cooperation with ITTO's Trade Advisory Group and Civil Society Advisory Group, relevant international and regional organizations, national timber trade associations and civil-society organizations.

INDICATIVE BUDGET AND TIMEFRAME

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- An indicative three-year budget for this Thematic Programme that would result in significant improvements in the three tropical regions would be US\$5 million, most of which would be for country-level activities and the remainder for regional/international level activities.

POTENTIAL DONORS