

Building capacity in West and Central Africa for sustainable timber supply chains

by Gerhard Dieterle, Executive Director of the International Tropical Timber Organization (ITTO)

The Lacey Act in the United States of America, the European Union Timber Regulation, Australia's Illegal Logging Prohibition Act, the Japan Clean Wood Act and China's new Forest Law (Article 65) all require evidence of the legality of imported timber. Large retail companies are increasingly adopting buying strategies that favour certified or legally compliant timber in reaction to changing consumer preferences and tightening legal frameworks. Initiatives such as the Sustainable Development Goals, the Paris Agreement on climate change, the New York Declaration on Forests, and the Global Green Supply Chain Network all acknowledge that timber from well-managed forests can be part of the solution to many global concerns.

But how does timber meet such market expectations? Laws and purchasing policies requiring evidence of legality and sustainability can be confusing for producers, importers and traders. This is especially so for small and medium-sized enterprises and smallholders, who may lack the capacity to understand and implement increasingly complex sustainability requirements or who may be unclear about

the documentation and verification standards to which they must comply. This confusion can reduce market opportunities for tropical timber producers, especially those with minimal business capacity and support. Many countries in West and Central Africa, for which timber exports have considerable economic importance, are struggling to conform with the procurement policies of the major players.

SUSTAINABLE SUPPLY CHAINS What is needed, therefore, is a systems-based approach to legality and sustainability through integrated green (or "sustainable") supply chains. With adequate support, such an approach can work for small, medium-sized and large operators in West and Central Africa. The ultimate aim of sustainable timber supply chains is to ensure stable, reliable supplies of timber from legal and sustainable sources. It is also important for advancing towards a bio-based green economy in which timber that has been produced legally and sustainably – and proved to be so – can be used as a substitute for non-renewable, unsustainably produced materials.

From the point of view of private operators, sustainable timber supply chains are not merely about maintaining or increasing market share, although this is an important outcome. They also help businesses ensure efficiency, best practices and transparency at every link in the supply chain: in forests, on log trucks, in mills, on ships and in showrooms. Companies that put in place sustainable supply chains will know exactly where their products are from, where they are in the supply chain at any given time, and how they have been produced. Ultimately, the efficiencies this information will bring will help ensure profitability and increase other indicators of healthy businesses. Most importantly, legal and sustainable practices are the best way to maintain a long-term resource base and provide "wood security", livelihoods and income, especially in rural areas.

HOW TO BUILD SUSTAINABLE SUPPLY CHAINS Building sustainable timber supply chains involves various levels of actions and commitments across a wide spectrum of stakeholders, who need to interact in a coordinated manner to ensure sustainable and legal production. Most African timber-producing countries lack sufficient infrastructure, technology and human resources to establish such supply chains. Public-private partnerships, both domestically and with consumer countries, are therefore necessary for sharing the incremental costs and ensuring the viability of initiatives to create sustainable supply chains. A long-term task is to reduce the multiplicity and complexity of the sustainable supply-chain requirements applied in different countries. This is necessary to enable small and medium-sized forest producers in tropical countries to become competitive and confident actors in domestic and international markets and to build capacity for sustainable management and production. In many cases, such enterprises will require external assistance and training to prevail in domestic and international markets and become drivers of sustainable forest management.



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FACILITATING DEVELOPMENT The shift towards sustainable tropical timber supply chains also requires facilitators. International organizations, including the International Tropical Timber Organization (ITTO), have an important role to play in building capacity among small-scale operators and other stakeholders across supply chains, investigating and demonstrating the elements of sustainable supply chains, and sharing knowledge and technologies.

ITTO is working with major timber-purchasing companies in China (the world's largest importer of tropical timber) and tropical producers and traders on the development of green supply chains. In October 2019, ITTO and a range of public- and private-sector partners convened an international forum in Shanghai, China, at which more than 30 large timber-purchasing companies agreed to

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create a voluntary network to promote recognition of the economic, social and environmental values of forests and the incorporation of legality and sustainability in all forestry operations. The Global Green Supply Chain (GGSC) Network is an initiative of a coalition of forest companies and other wood-industry stakeholders committed to legal and sustainable supply chains. It is open to all interested parties worldwide, including stakeholders in producer countries and along supply chains to the consumers of final products. The GGSC Network will foster closer collaboration and exchange between all partners in global supply chains by sharing information and enhancing collaboration and know-how. Under its Legal and Sustainable Supply Chains Programme, ITTO is committed to supporting and facilitating the establishment and operation of the GGSC Network through the following actions:

- the development of modalities of work and collaboration by building on the experiences of the pre-existing GGSC platform in China;
- the building of an information database accessible to all, including the Global Timber Tracking Network;
- taking into account existing mechanisms for the verification of legality and sustainability within existing global rules and legal frameworks; and
- supporting the implementation of a business-to-business communication and information exchange as part of the GGSC Network, building on the output of an ITTO project and making information on markets for timber and wood products publicly available on a monthly basis.

BUILDING CAPACITY IN AFRICA One of the major constraints in African tropical timber-producing countries is a lack of qualified human resources in government agencies and even among private-sector companies for mastering the complex requirements for producing, verifying, documenting and trading legal and sustainable forest products. These requirements involve, among other things, forest inventories and planning; sustainable forest management practices; forest operations and production; timber verification and forest certification; tracking products from the forest to the landing site; processing and shipping.

ITTO recently launched an initiative aimed at building a critical mass of human resources in both the public and private sectors, with a special focus on small and medium-sized enterprises and smallholders, for implementing sustainable timber supply chains in Congo Basin countries. Financed by the Government of Germany, the initiative will help improve curricula and other training modules to enable professionals

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and technicians in the private sector, trade and industry associations and government authorities to better understand and manage legal and sustainable tropical timber product supply chains within the framework of sustainable forest management. It will seek synergies with the GGSC Network and other partners to help ensure the availability of decent jobs for well-trained personnel in putting sustainable supply chains in place in West and Central Africa. It will also promote public-private partnerships in the sustainable production, trade and consumption of legal and sustainable wood and other forest products. Overall, the aim is to ensure that productive tropical forests are sustainably managed and that supply chains and trade

flows, from the forest to end consumers, comply with legality and sustainability requirements.

We can create sustainable supply chains in West and Central Africa, and must do so if we want to harness the tremendous power of the market for the benefit of small and medium-sized enterprises and the global good. It requires a massive effort, and it requires resources from international donors and committed private-sector actors. However, the rewards will be significant: sustainable tropical timber supply chains will benefit forests, forest communities and, ultimately, all of us.

ITTO

The International Tropical Timber Organization (ITTO) is an intergovernmental organization promoting the sustainable management and conservation of tropical forests and the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests. ITTO is an action and field-oriented organization with more than 30 years of experience. ITTO's membership (www.itto.int/about_itto/members/) represents about 90% of the global tropical timber trade and more than 80% of the world's tropical forests. ITTO's headquarters are located in Yokohama, Japan. *Source: https://www.itto.int/about_itto/*

ITTO SUPPORTS LEGAL AND SUSTAINABLE SUPPLY CHAINS BY:

- Providing regular news and information on tropical timber trade market trends and trade from around the world in its *Tropical Timber Market Report*, published every two weeks (www.itto.int/market_information_service).
- Providing insights into trends in the global timber sector and markets, including the production and trade of primary and secondary processed wood products, in its *Biennial Review of the World Timber Situation* (www.itto.int/annual_review).
- Making an online statistical database available (which contains data since 1990), an important tool for analyzing long-term trends in the trade of tropical timber and primary tropical timber products (industrial roundwood, sawn wood, veneer and plywood) and important shifts in timber production and further processing (www.itto.int/biennial_review).
- Promoting the development of incentive mechanisms for increased investments in legal and sustainable forest management and associated downstream supply chains.
- Building capacity for legal and sustainable forest production (low-impact, efficient wood harvesting, marking, tracking and documentation of volumes and tree species, voluntary legality verification and certification, efficiency of wood-based industry, waste utilization, etc.).
- Advocating and raising awareness among all stakeholder groups about the role of productive forests and sustainable wood for economic, social and environmental development, climate-change mitigation and adaptation, and the conservation of global biodiversity.
- ITTO will hold training workshops on legal and sustainable supply chains in Central Africa as part of its initiative to build a critical mass of human resources for implementing sustainable timber supply chains in Congo Basin countries.

For further information, contact the ITTO Secretariat at www.itto.int/contact_us.