ASSOCIATION SURVEYS FOR KNOWLEDGE (ASK)
WEST AFRICA

Prepared by GTF

April 2018

Contents

GLOBAL TIMBER FORUM'S ASSOCIATION SURVEY FOR KNOWLEDGE (ASK)

This Survey seeks to better understand the challenges faced by forest and wood-based industry and trade associations around the world. The responses from associations in Asia, Africa, Europe and South and North America will inform GTF's, and our project partners, knowledge about the skills and capabilities of associations and identify future support programmes particularly focused on priority countries.

The survey is focused on five themes:

Theme 1	Association's profile and capabilities
Theme 2	Priorities in delivering services to members
Theme 3	Challenges faced by the association membership
Theme 4	Analysis of domestic and regional markets
Theme 5	Analysis of international market and customer needs including legality and sustainability aspects

The survey was developed in collaboration with our project partners: FAO (Food and Agriculture Organisation of the United Nations) and WRI (World Resources Institute). The survey was made up of three complementary sections. Respondent associations were encouraged to complete all three sections.

The survey results are anonymised and non-attributable except at regional level. GTF will share relevant data with survey respondents and our partners to better assist the development and funding of trade-focused responsible timber trade programmes.

West Africa

The survey of trade associations in Ghana, Liberia and Cote d'Ivoire was conducted in March 2018.

GTF wishes to thank the following organisations for their time in contributing to this survey:

Cote d'Ivoire

1. Association Malebi
2. SYNAPPLCI (*Syndicat National des Producteurs de Produits Ligneux de Cote d'Ivoire*).
3. SYNGOPIB (*Syndicat des Groupements et Organisations Professionnelles du Bois*)
4. SENBCI (*Syndicat des Exportateurs et Négociants de Bois de Côte d'Ivoire*)
5. GAMBY (*Groupement des Artisans des Métiers du Bois de Yopougon*).
6. SIGEFIB (*Syndicat Ivoirien des Groupements d'Exploitants Forestiers et d'Industriels du Bois*)

Ghana

1. Ghana Timber Millers' Organization
2. Woodworkers Association of Ghana
3. Ghana Timber Association
4. Ghana Sawn Timber Sellers Association
5. Furniture and Wood Products Association of Ghana
6. Domestic Lumber Trade Association
7. Domestic Lumber Millers Association of Ghana

Liberia

1. Liberia Chainsaw and Timber Dealers Union
2. Liberia Timber Association

Summary

Most individuals, groups, firms and companies in the forestry sector in the three countries belong to one or more associations. The associations are organised around their trading activities. Typically they regulate their 9,000+ members, organize meetings to discuss concerns and challenges in the industry, advocate or intercede on behalf of their members and support them to gain resources including wood.

About two-thirds of member organisations in Ghana and Cote d'Ivoire are micro in size, engaged in primary forestry of logging and/or milling. Value added activities are in basic furniture, joinery and carpentry products that are consumed in the domestic and regional markets. About one-third of items that are exported are secondary, including lumber, veneer, machined and shaped wood products sold to European, Asian, American markets. Ghana sells plywood to regional countries while only Liberia exports round logs to Europe and Asia.

Timber from natural forests of individual countries (and very little plantation timber) predominate what is processed, and they are controlled by national laws by which access to timber is regulated. Even though there is the awareness to curb illegal trade of timber and promote environmental protection and sustainability of forests, practise is still limited to exporters who are obliged by their importers to comply with regulations. Very little or no control is exercised over legal supply to domestic markets.

The associations are weak across the three countries and need to be strengthened to advocate for and deliver the services that meet the aspirations of their members, else there is severe attrition in membership. Product supply routes and distribution systems are not developed; manufacturers sell directly or use retailers to reach consumers.

Broadly the **constraints** of the associations are:

i. lack of expertise
ii. lack of designs and products development
iii. lack of training opportunities in plant and machine maintenance
iv. lack of skills in the production of tertiary products
v. lack of skilled personnel in marketing
vi. lack of research capabilities
vii. a conservative outlook and aversion to change

Historically, associations have paid little attention to the importance of viable business systems, regular training and capacity building of their human resource capital. All the associations are inadequately resourced and do not have the systems, personnel, operational or technical capacity to design and implement effective business viability training programs for their members.

Key **challenges** include:

- the need for effective and sustained training schemes to ensure that industry can comply with requirements of legality and sustainability systems
- adoption of best operational practices aimed at enhancing and sustaining business operations
- introduction of technologies to utilize all species of wood, including plantation timber
- knowing and applying appropriate marketing tools and opportunities.

The type of training required is at various levels of industry structure and varied in nature. Schemes (programs and projects) offered to the industries have been implemented on a short-term cyclical basis (couple of weeks or months) and have therefore had limited impact on the industry as a whole. A new approach is therefore required.

Part 1 - Association profile & capabilities

Geographical coverage

The 6 Ivorian, 7 Ghanaian and 2 Liberian associations interviewed primarily draw their membership from within their own countries. The focus of their activities is almost exclusively within their own borders.

Membership & Services offered

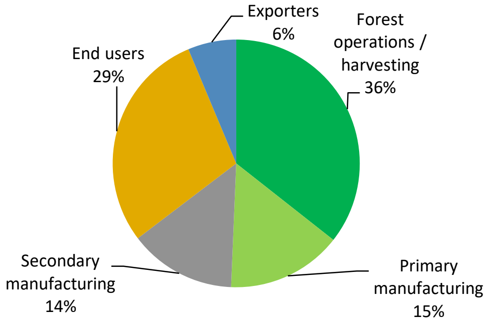
Profile of membership - size & number

The 15 associations surveyed have a combined membership of over 9,200 individuals and companies.

	Number of member associations	Number of company members	Individual members (number of people)
Ivory Coast	21	640	-
Liberia	-	35	-
Ghana	-	4,365	4,226
Totals	**21**	**5,040**	**4,226**

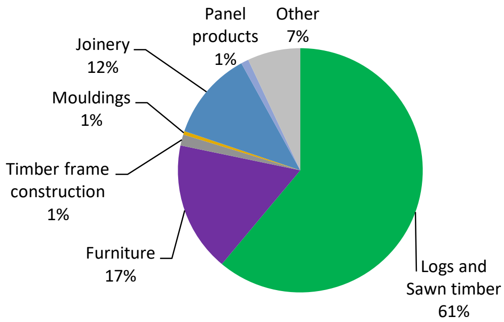
Sectors represented

The membership across the 3 countries is dominated by operators in the forest sector and in primary processing.



Products traded

The membership primarily trade in logs, sawn timber (and charcoal). Joinery and furniture are significant products as well.



Volume traded by members

Only 5 of the associations were able to provide data as to the volume of wood traded by their membership.

Value of products traded by members

Only 3 associations were able to provide data as to the value of the wood products traded by their membership (all 3 in the Ivory Coast).

Capacity - Number of staff

Staff numbers vary widely between the associations. The average number of full time equivalent positions across the region is 4. This includes senior management, technical specialists, accountants, administrators, drivers and janitorial staff.

In the Ivory Coast many of the associations have voluntary roles representing regions or sub-sectors. These roles are unpaid.

Association	Total staff (including volunteers)	Paid staff (FTE)
Ivory Coast 1	2	2
Ivory Coast 2	11	11
Ivory Coast 3	30	5
Ivory Coast 4	11	4
Ivory Coast 5	11	9
Ivory Coast 6	9	5
Liberia 1	5	5
Liberia 2	5	5
Ghana 1	5	5
Ghana 2	1	1
Ghana 3	4	4
Ghana 4	7	0
Ghana 5	2	2
Ghana 6	no data	no data
Ghana 7	3	1.5
Regional average	**7.6**	**4.0**

Technical staff

Only 3 out of the 14 associations that responded have staff available to answer technical questions from the membership.

Association	Number of staff
Ivory Coast 1	2
Ivory Coast 2	0
Ivory Coast 3	0
Ivory Coast 4	0
Ivory Coast 5	0
Ivory Coast 6	0
Liberia 1	4
Liberia 2	1
Ghana 1	0
Ghana 2	0
Ghana 3	0
Ghana 4	0
Ghana 5	0
Ghana 6	0
Average #	**0.5**

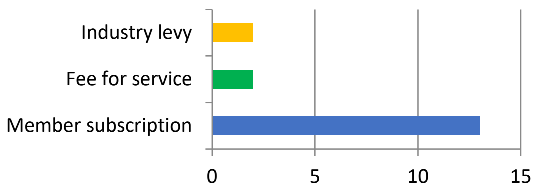
Overall budget

Nine of the associations were able to provide data regarding their annual operating budget. The largest budget was in Ghana and the smallest in Liberia. The average for the region was just over $27,000 per annum.

Association	Annual operating budget
Ivory Coast 1	$23,500
Ivory Coast 2	$6,000
Ivory Coast 3	$10,000
Ivory Coast 4	$12,000
Ivory Coast 5	$8,000
Ivory Coast 6	$7,000
Ghana 1	$100,000
Liberia 1	$1,526
Ghana 2	$75,000
Regional average	**$27,003**

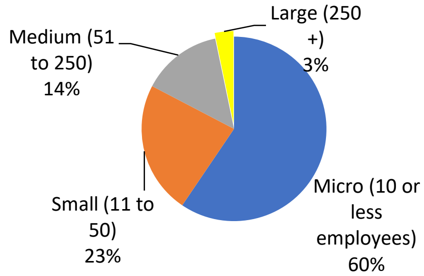
Funding

Virtually all of the associations interviewed are funded through membership subscriptions. Additionally, some receive an industry levy. Two association receive funding through organizing events for their members.



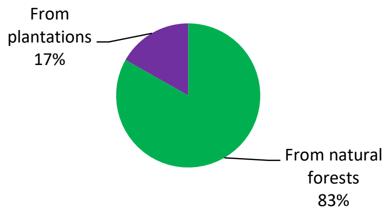
Size of member companies

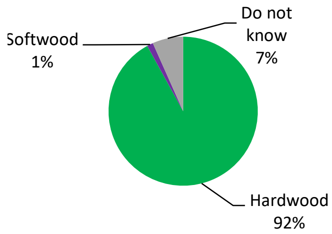
The 8000+ members of the associations are dominated by micro and small organisations. Only 3% of the organisations they represent have more than 250 employees.



Raw material sourcing

The association's members primarily source hardwood species sourced from natural forests.

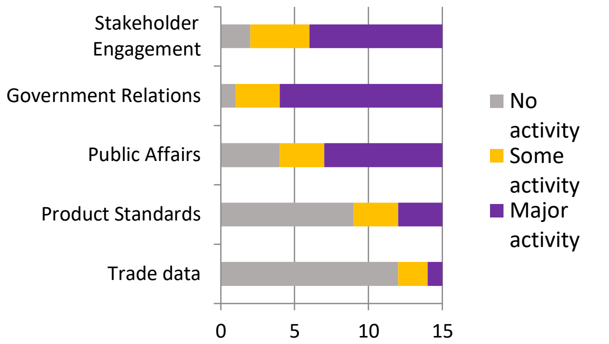




Part 2 – Priorities and challenges in delivering services to members

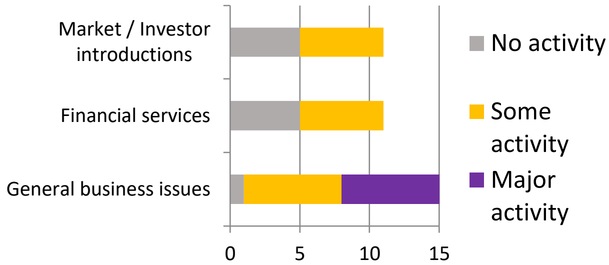
Services currently provided

Across the region the most common services provided are government relations and stakeholder engagement closely followed by public affairs.



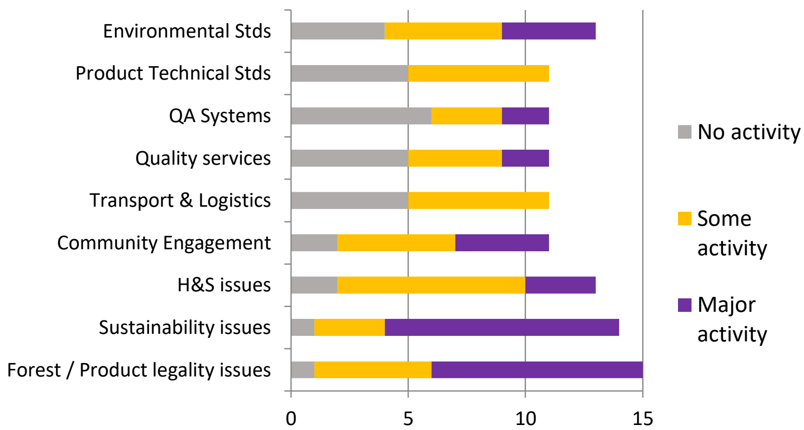
Business services provided

The associations typically do not regard provision of business services, such as market introduction, financial services or general business support as major activities.



Technical services provided

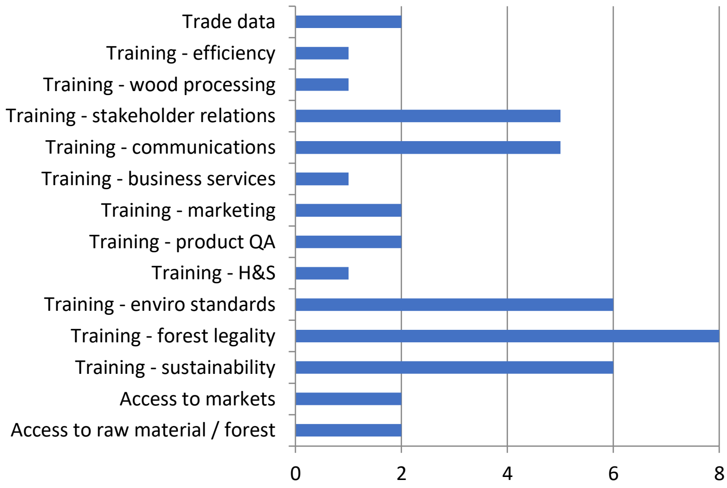
The associations offer a wide range of technical services. The most common services offered are those relating to forest or product sustainability, closely



followed by legality and legal compliance.

Priorities for service provision

The current top priorities for the associations in terms of services offered are dominated by the provision of training focusing on forest and product legality, closely followed by training on sustainability and environmental issues.

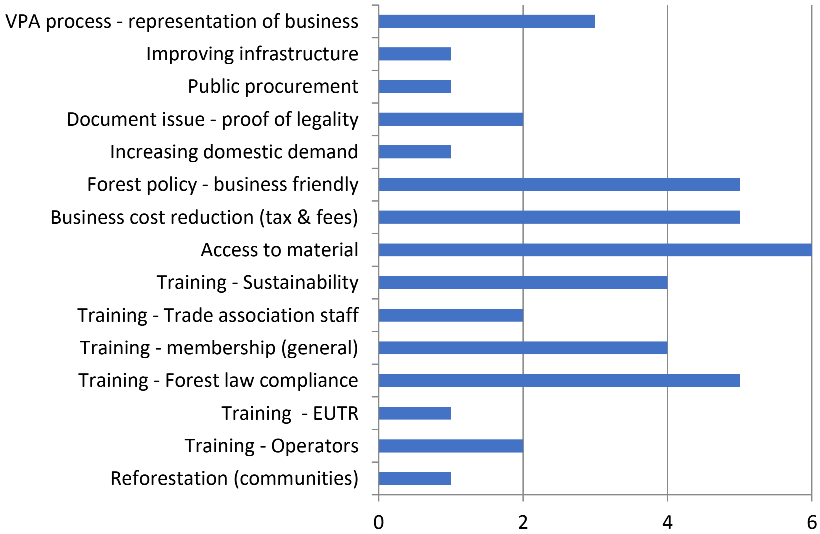


Training for communications and stakeholder engagement are also of importance across the region.

Priorities for government relations

Access to raw material was the top priority for the Ghanaian associations and their membership – with all 6 associations listing this as their top priority.

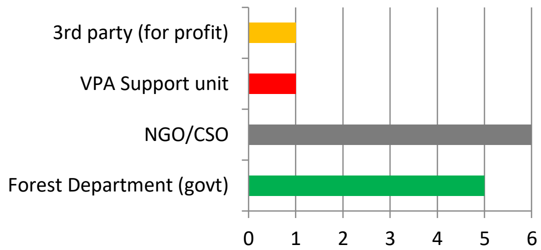
Promoting forest policy that was more sympathetic to businesses and reducing the administrative burden of fees and taxes were the second most important set of concerns.



Most of the associations also stressed the need to supply more training, especially on legality and sustainability within the sector. The Ivorian association in particular expressed a need for further training and capacity for the sector to engage the VPA / FLEGT processes.

Technical support – external partners

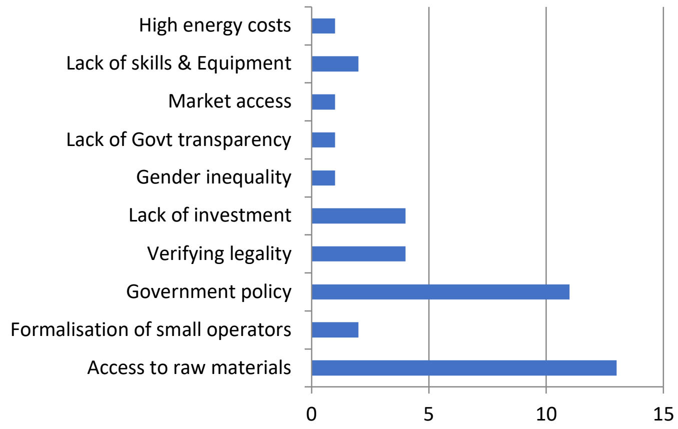
When offering support to their members on supply chain management issues the most commonly used external partners are NGOs and civil society organisations. Government agencies and departments are also frequently utilized.



Top challenges for members

The main challenge for members of the association is accessing raw materials. This is closely followed by the challenge of understanding and following government policy.

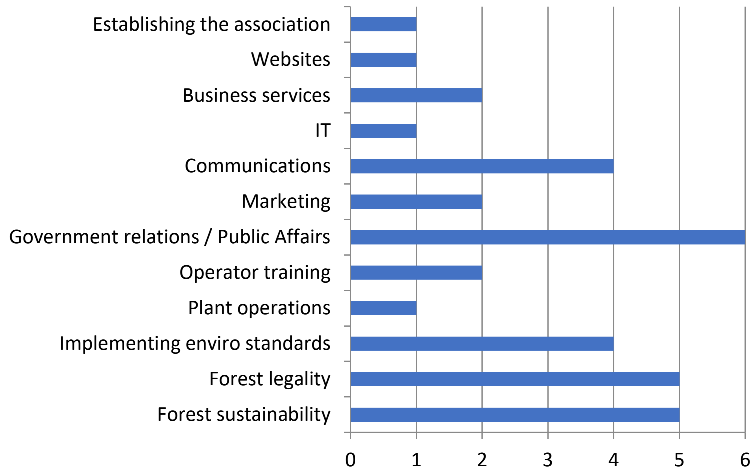
A wide range of other challenges were identified with legal verification of timber, lack of investment and a lack of skills and equipment being of note.



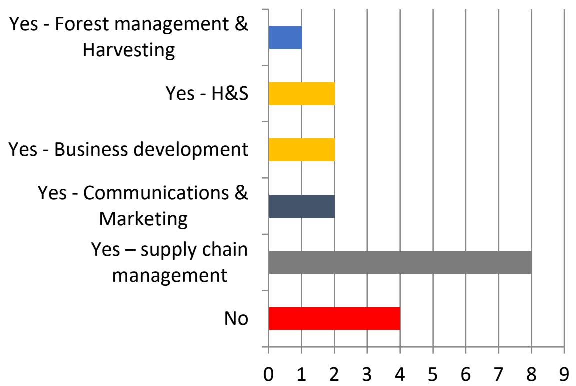
Part 3 – Challenges faced by membership (particularly SMEs)

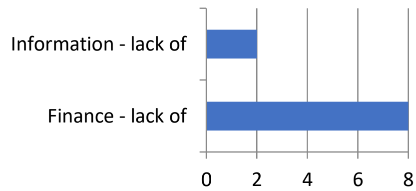
Challenges in delivering current services

The most challenging areas for the association are dominated by government relations and public affairs, closely followed by forest legality issues, forest sustainability and the implementation of environmental standards.



When asked why these services were a challenge to deliver the most common answers were a lack of finance and a lack of information.

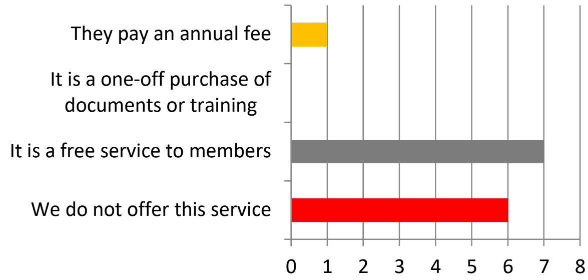




Training needs

Training needs identified were dominated by supply chain management.

Where the training service is offered it is not charged for, beyondd any membership fees.

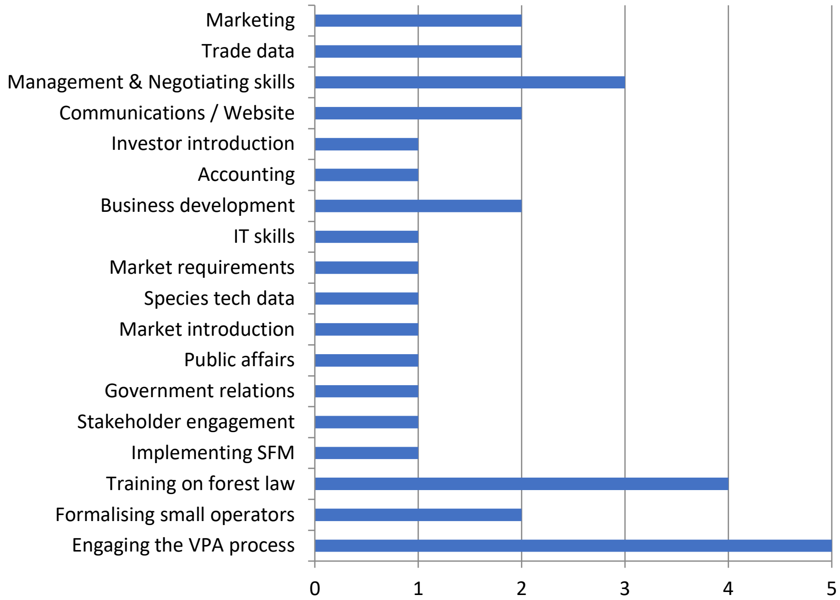


Additional services the associations would like to deliver

The associations have no shortage of ideas as to additional services that are needed by their members.

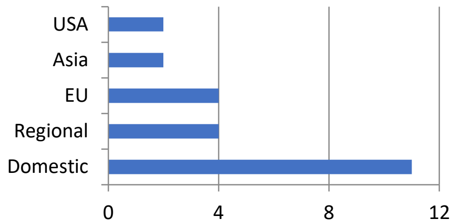
The Ivorian associations all desire increased capacity for their membership to engage the VPA process. Related to this there is a need to better demonstrate how small operators can be become formalized (legally recognized) and a general plea for greater knowledge on the law on compliance for the sector.

Aside from these services a very broad range of ideas were proposed.



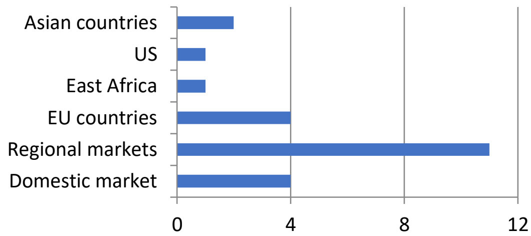
Current main markets

The association's members rpredominately trade in their own domestic markets. Depending upon the association the trade may be very focused on a city of region or extend to the whole country. Regional exports and exports to the EU are the other dominant markets.



Target markets

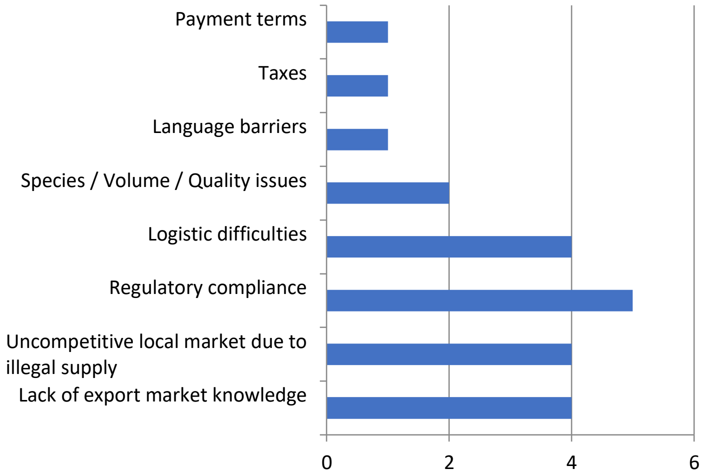
The majority of association members see regional markets as their main target for new exports. Domestic and EU markets were identified as other potential markets.



Exports – challenging issues

The major challenge for exports to new markets is the burden of complying with export regulations (assumedly at point of export and import). Other major burden include logistic difficulties and a lack of knowledge of the process of exporting.

The Ivorian respondents commonly stated that the local market was uncompetitive for their members due to the low value of material due to the high volume of illegal material in the market.



Part 4 – Analysis of domestic and regional markets

Sourcing

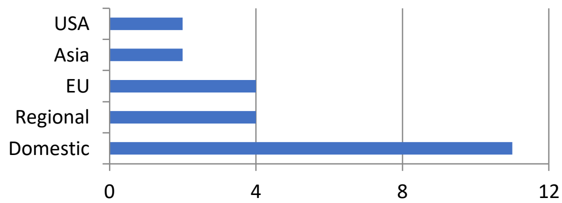
All of the associations surveyed stated that their members only sourced from domestic forest (i.e. there were no imports).

Exports – significance to members

Across the associations surveyed an average of 28% of their members were involved in export. Four associations representing the three countries stated that their members were primarily involved in exports. Eight associations stated their members did not export at all.

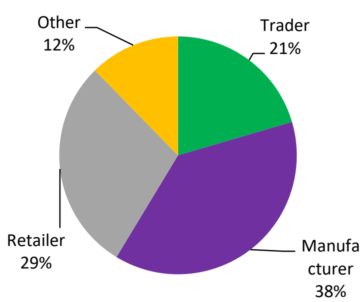
Exports – major markets

Aside from the domestic markets regional markets and EU countries were dominant.



Customer profile

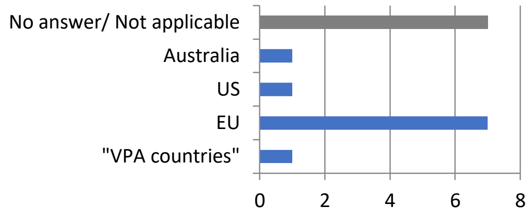
The profile of the customers for the memberships varies widely. Across the region manufacturers and retailers represent the major markets.



Part 5 – Analysis of international market and customer needs including legality and sustainability aspects

<u>Legality – level of demand from international and domestic markets</u>

For those associations who have members that export the demand and questions around legality are very frequent.

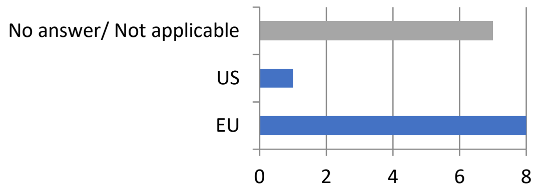


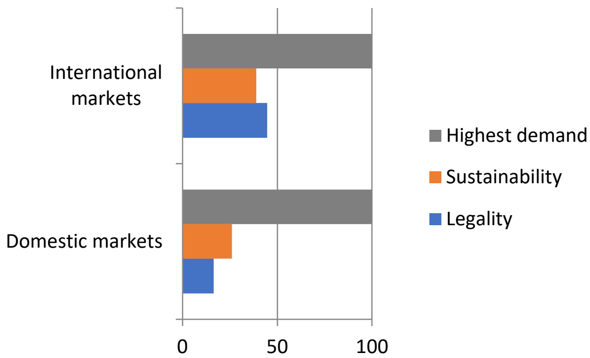
EU countries represent the loudest voice in terms of demand.

The level of demand from domestic markets for legal timber was estimated at 0 (zero) by 10 of the respondents. Those that recorded any demand estimated the level at one third of the level of demand from international markets (on a scale ranging from zero – no demand: to 100 – frequent demand).

<u>Sustainability – level of demand from international and domestic markets</u>

For those associations who have members that export the demand and questions around sustainability are frequent.



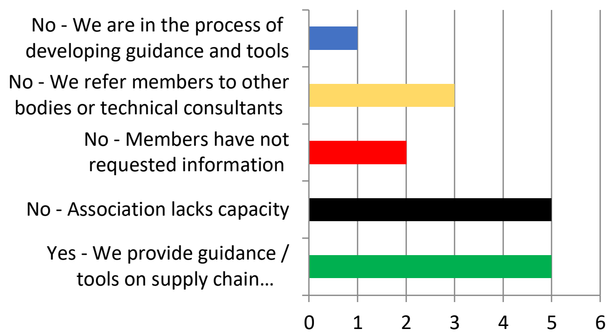


EU countries represent the loudest voice in terms of demand.

A comparison of the demand for legality and sustainability interestingly indicates that domestic markets are more interested in sustainability than legality. In both cases the domestic market demand falls below the international market demand.

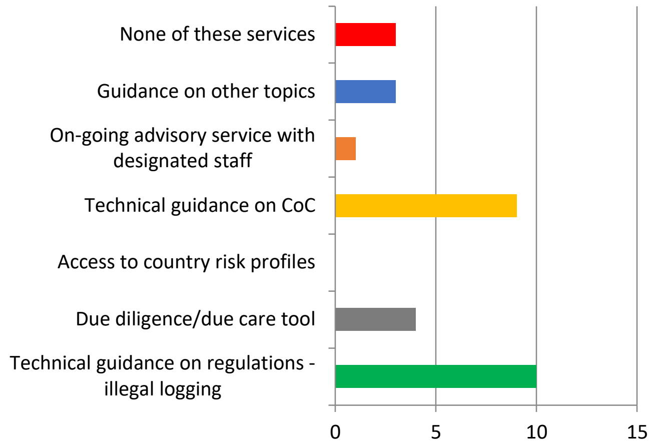
<u>Supply chain management support – availability</u>

Of the 15 associations surveyed 5 indicated that they offer some supply chain management guidance or tools. Five other suggested that they would offer the service if they had capacity.



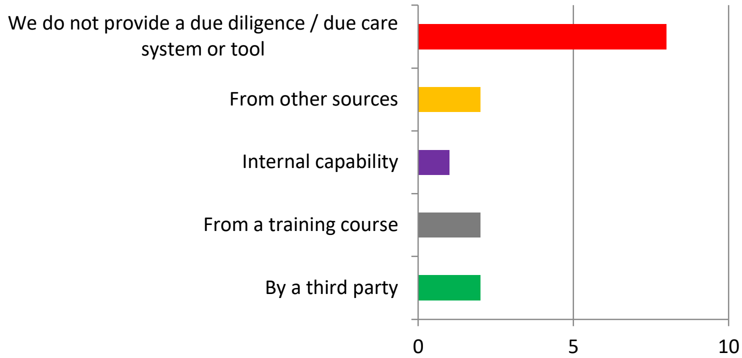
Supply chain management support – content

The bulk of the support offered focuses on chain of custody and technical guidance on compliance with legal regulations.



Supply chain management support – sources of information

Sources of information range widely.

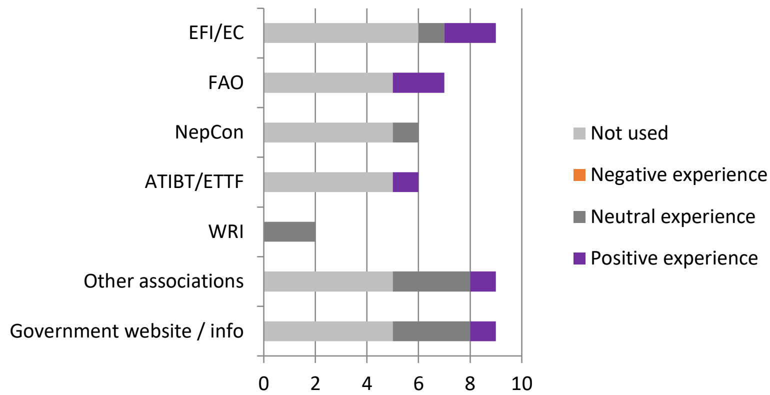


Supply chain management support – risk assessment provision

None of the associations surveyed develop risk profiles for their membership.

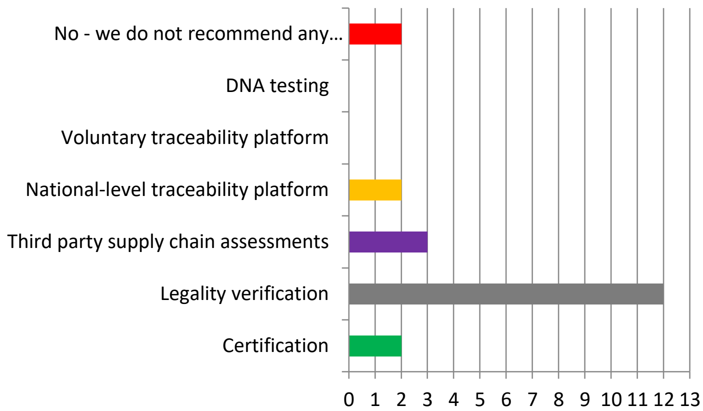
Supply chain management support – risk mitigation advice

The main sources of external information to provide guidance on risk mitigation were through EFI, government information sources and other associations. EFI and FAO were both identified has being of positive benefit.



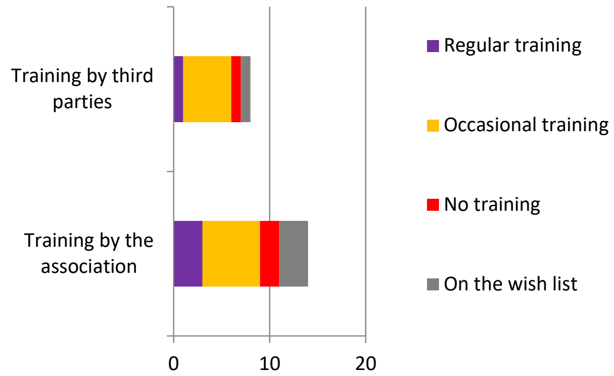
Types of risk mitigation recommended to members

The main types off risk mitigation recommended to members were legality verification and other third party supply chain assessments.



Supply chain management support – training offered

Most associations do offer or would like to offer supply chain management training to their members. In the main they prefer to offer the training themselves rather than using third parties.



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