Meeting Summary Report

"Sustainable Wood for a Sustainable World" (SW4SW)

Regional Dialogue in Africa

29-31 October 2019

OR Tambo Garden Court Hotel

Johannesburg, South Africa

WWF CIFOR WORLD BANK GROUP ITTO Food and Agriculture Organization of the United Nations

In collaboration with: PAPER MANUFACTURERS ASSOCIATION OF SOUTH AFRICA (PAMSA) FORESTRY SOUTH AFRICA

Contents

List of Acronyms and Abbreviations

AfDB	African Development Bank
CIFOR	Centre for International Forestry Research
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPF	Collaborative Partnership on Forests
DEFF	Department of Environment, Forestry and Fisheries of South Africa
FAO	Food and Agriculture Organization of the United Nations
FFF	Forest and Farm Facility
FLEGT	Forest Law Enforcement, Governance and Trade
FSC	Forest Stewardship Council
IFC	International Finance Corporation
ITTO	International Tropical Timber Organization
PAMSA	Paper Manufacturers Association of South Africa
SAFAS	South African Forest Assurance Scheme
SDGs	Sustainable Development Goals
SW4SW	Sustainable Wood for a Sustainable World
SWVC	Sustainable Wood Value Chain
UTGA	Uganda Timber Growers Association
WB	The World Bank
WWF	World Wildlife Fund

Introduction

Sustainably managed forests have a pivotal role to play in the mitigation of climate change as well as in contributing to the UN Sustainable Development Goals. In 2018, FAO together with Centre for International Forestry Research (CIFOR), International Tropical Timber Organization (ITTO), the World Bank, and World Wildlife Fund (WWF) launched the Sustainable Wood for a Sustainable World Initiative (SW4SW) as a joint initiative of the Collaborative Partnership on Forests (CPF). CITES joined the SW4SW initiative as a sixth partner just a couple of weeks before the Johannesburg dialogue.

The principal goal of this initiative is to strengthen sustainable wood value chains to enhance their social, economic and environmental benefits from production to consumption. In particular, the initiative aims to increase the contribution of sustainable wood value chains, for the more efficient achievement of SDGs and climate change objectives.

The Johannesburg Africa dialogue event formed part of a series of dialogues in different regions of the world falling under the umbrella of the Sustainable Wood for a Sustainable World (SW4SW) initiative. The purpose of the regional dialogues is to raise awareness and build capacity to increase contributions of wood value chains to sustainable development and climate change mitigation. The Johannesburg event was the second regional dialogue in Africa, following on from the regional dialogue for francophone Africa held in Cameroon 28-30 May 2019. The Johannesburg dialogue brought together key stakeholders in forestry and wood value chains from the rest of Africa. Participants included delegates from Southern, East, West and Lusophone African countries (see Annex 2 for participant list).

The meeting comprised three events:

- Regional dialogue (29-30 October),
- Investment Forum (morning of 31 October), and
- National dialogue (afternoon of 31 October).

Presentations from the events will be made available to participants at the official SW4SW webpage along with the reports of each event (Part 1 Dialogue report and Part 2 Investment forum and national dialogue report).

Day 1 of the dialogue was structured into four sessions, each comprising key presentations by selected speakers followed by plenary discussion (see Agenda in Annex 1). These sessions were designed to form the basis for working groups to develop road maps on Day 2. Participants were grouped according to region (Southern, East and West Africa) plus two separate groups for Lusophone Africa and South Africa. On Day 2, each group was tasked with developing a road map towards meeting the objectives of the SW4SW agenda.

SW4SW Regional dialogue in Africa

Objectives and outputs

- Share the objectives of the Sustainable Wood for a Sustainable World (SW4SW) initiative and the sustainable value chain approach, highlighting how wood value chains can contribute to the SDGs and strengthen the linkages between forests and national development strategies;
- Promote and share examples of inclusive wood value chains, including their contribution to the bio-economy and social inclusion;
- Draft sub-regional roadmaps that can promote an SW4SW agenda interested countries; and
- Catalyse investments in sustainable wood value chains.

Opening session and overview of the SW4SW initiative

Speakers: FAO, DEFF (South Africa), PAMSA (South Africa).

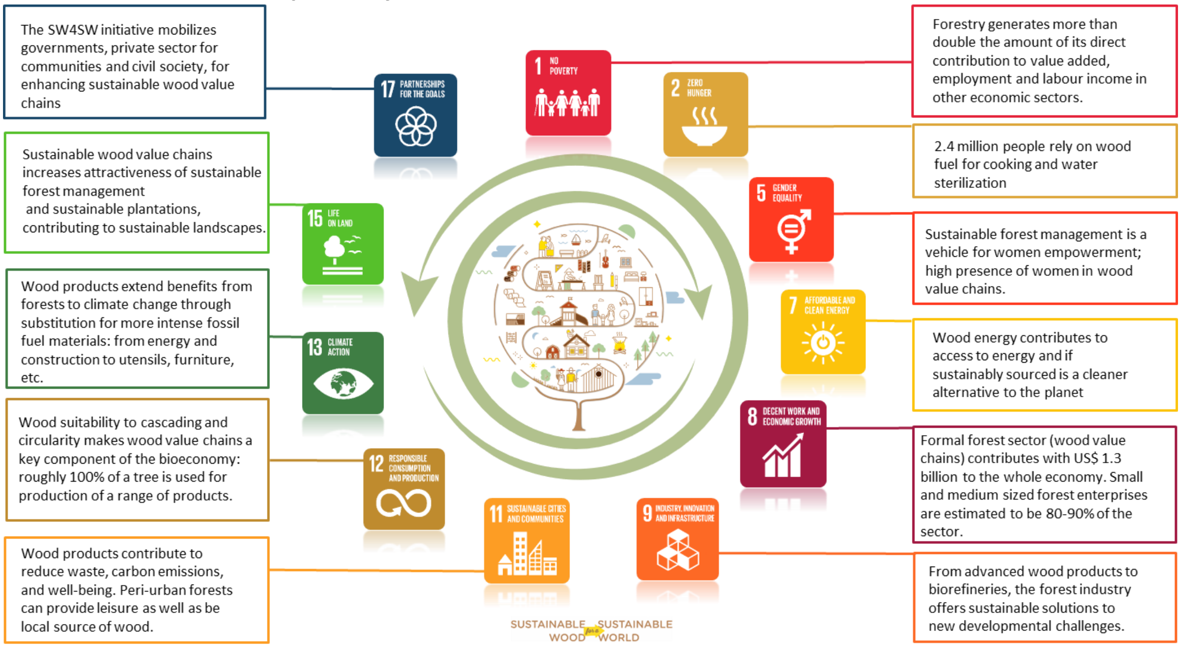
The Workshop was opened by Francesco Maria Pierri, FAO Representative in South Africa, Morongoa Leseke, Deputy Director-General of Forestry and Natural Resources Management, Department of Environment, Forestry and Fisheries (DEFF) and Jane Molony, Paper Manufacturers Association of South Africa (PAMSA). A total of 61 participants from 16 countries attended the first day of the dialogue and of these, 16 were women (see Annex 2 for participant list). The three speakers welcomed the delegates and outlined the importance and challenges facing sustainable wood value chains in Africa.

In the following session, after introduction of participants, Petri Lehtonen of FAO gave two presentations that provided an overview of the SW4SW initiative and set the scene for the dialogue. Key points raised in the framing presentations and discussions are summarised below. For details, please refer to the presentations available at the official SW4SW webpage.

- Sustainable wood value chains are the key to the conservation of forests and sustainable wood production, and in turn contribute to climate change mitigation, and to achieving SDGs. A value chain approach is useful for understanding relationships, processes and flows from forest to market. Value chain analysis provides system-wide information on which to base interventions to improve sustainability, mitigate climate change and increase contributions to SDGs.
- Forestry value chains present multiple opportunities to enhance circularity and contribute to bioeconomy, waste recycling and conversion of waste into bioproducts are critical elements of the transition to sustainable forestry value chains and a green economy.
- Sustainable wood value chains have a key role to play in meeting many of the SDGs including but not limited to poverty reduction, food security, gender equality, access to affordable and clean energy, decent work and economic growth, and climate action (see graphic).
- The development and restoration of timber resources is a crucial requirement for sustainable wood value chains in Africa. Natural forests and woodlands are under threat and cannot produce sufficient biomass to support market demand sustainably. Furthermore, these resources play a crucial role in local livelihoods and ecological functioning.
- Protection and restoration of natural forests and woodlands should take high priority alongside the development of plantation assets as the basis for sustainable wood value chains, climate change mitigation and sustainable development.

- An important priority is to develop downstream processing capacity in African countries, requiring significant investment in the value chains and appropriate sources of finance.

Wood value chains and pathways to SDGs



Wood value chains in Africa

Speakers: FAO, Kenya Forest Service, Uganda Timber Growers Association (Uganda), Saw Log Production Grant Scheme (Uganda), Institute for Commercial Forestry Research (South Africa)
Key points from the presentations and discussion:

The session began with an overview presentation from FAO, followed by case studies from Kenya and Uganda, and lastly an overview of forestry industry value chains in South Africa.

Smallholder timber growers are important for wood fibre production across Africa. Grower associations have a critical role to play in provision of inputs, technical and financial support, logistics and access to markets, as grower associations in South Africa, Kenya, Uganda and Tanzania demonstrate. Several speakers drew attention to constraints facing small growers, including access to land. In many countries in Africa, local communities have insecure tenure rights. A related limitation is lack of political will and the commitment by government and local leaders to allocate land for plantation development.

The importance of developing and restoring degraded plantation resources in African countries was highlighted. Speakers in the session emphasised that natural forests and woodlands are under threat and plantation establishment is key to sustainable wood value chains. The presenter from Uganda gave an estimate of one hectare of well-managed plantations being able to produce as much timber as 2-6 hectares of natural forests.

The South Africa case study highlighted the importance of a sustainably managed forest plantation resource as the basis for a timber processing industry. Although limited in extent owing to climatic conditions and water constraints, South Africa has just over one million hectares of timber plantations.

South African timber plantations form the basis for a profitable and internationally competitive downstream processing industry, according to the presenter from South Africa.

The state historically played a crucial role in the establishment of forest plantation assets throughout the region, including in South Africa. State plantations have, however, become degraded in many countries. The Ugandan case study demonstrated the potential for private-public partnerships to expand private small and medium-size plantations as well as restore degraded government-owned plantations. The scheme was built on a model of dividing degraded state-owned plantation land into blocks and allocating these to individuals and forestry companies on a competitive bid basis. The scheme has been successful and created a significant private farm forestry-based resource. The challenge is to develop scalable downstream processing that can add value to the resources base.

Presenters from Uganda and Kenya noted that sustainable wood value chains could be further supported through further opening up regional trade and access to local markets. Improved market access is likely to stimulate the expansion of timber plantations, especially amongst smallholders.

The efficiency and sustainability of wood value chains can be substantially improved through a recapitalisation of sawmills and other wood processing facilities. Many make use of outdated and poorly maintained equipment with low recovery rates and high wastage. Investment in improved transport infrastructure is another key requirement.

SW4SW and the bio-economy

Speakers: PAMSA (South Africa), DST-CSIR Bio-refinery Industry Development Facility (South Africa)

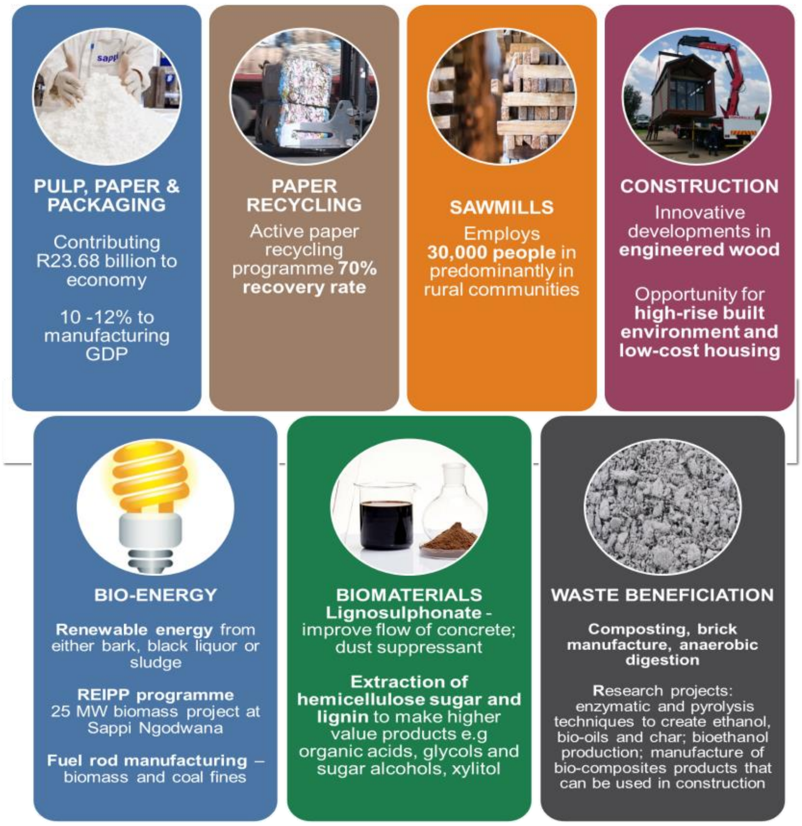
The speaker from PAMSA presented an overview of the South African forestry industry and the contribution made to sustainable development and the bio-economy (see graphic for an overview). The importance of waste paper recycling in circularity was highlighted alongside the contribution of conventional value chains and the potential that exists for forestry to further contribute to the bioeconomy.

The speaker from the DST-CSIR Bio-refinery Industry Development Facility gave a presentation on the latest developments in bio-refinery. He began by highlighting the unsustainably low recovery rates and wastefulness associated with existing wood value chains. Biomass recovery rates can, however, be increased from current levels of about 40% to up to 90% through Improved wood processing technology, recycling and the production of new biomaterials from waste.

Recent advances in bio-refinery are yielding a wide range of new, high valuable materials from wood processing waste streams. Some of these products, including pine oil, xylitol, and dissolving wood pulp are both valuable and have high market potential. Wood-based biomaterials can provide sustainable replacements for products derived from fossil fuels. Sustainable wood value chains have a pivotal role to play in the bio-economy; providing a source of sustainable wood and other materials capable of replacing fossils fuels and other unsustainable materials, as well as storing carbon.

Unlocking the potential contribution of wood value chains to the bioeconomy requires better collaboration between government and the private sector as well as regional co-operation and market development.

Bioeconomy in South Africa



The two presentations on potential for forestry to further contribute to the bio-economy generated considerable interest amongst participants and featured in subsequent group work discussions and formulation of road maps (see below).

Markets and finance

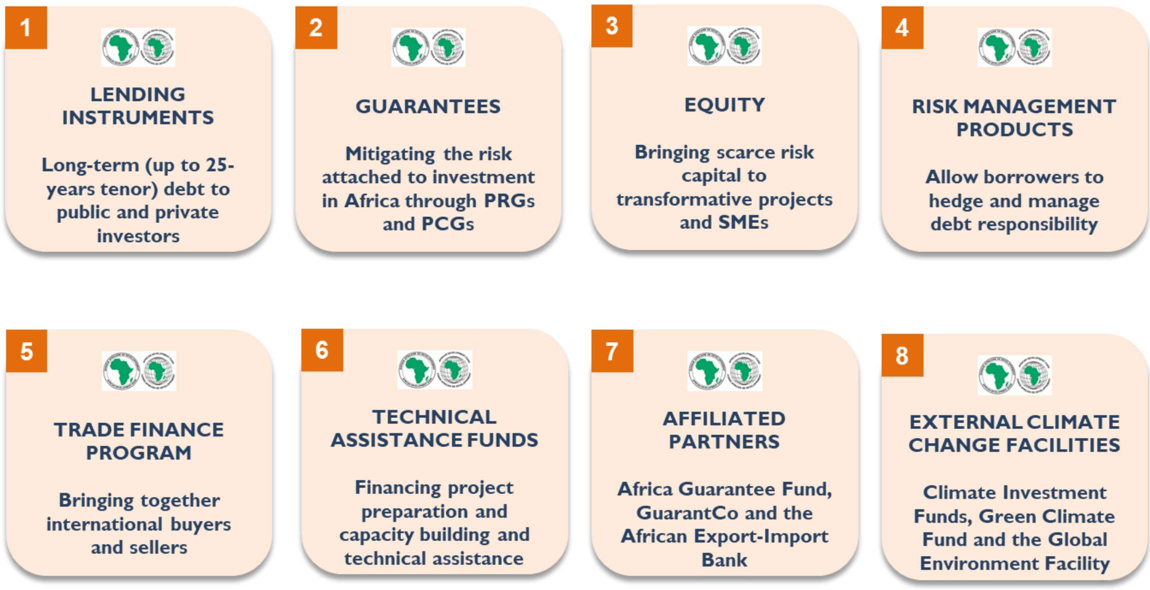
Speakers: Forest Farm Smallholder Producers Association (Kenya), African Development Bank

Key points from the presentations and discussion:

The session was moderated by CIFOR and comprised two contrasting presentations, one a high-level presentation on African and global financial instruments and the second a small holder's perspective on sustainable wood value chains and access to forest finance, drawing on the experiences of the Kenyan Forest Farm Smallholder Producers Association.

The speaker from the African Development Bank (AfDB) presented an overview of AfDB financial instruments (see graphic).

African Development Bank Financial Instruments



The AfDB presenter went on to describe the international development financing landscape. The contribution of the following key financing institutions was presented and discussed in the meeting:

- Multilateral developments banks: World Bank, regional development banks, e.g. Asian Development Bank, African Development Bank. Provide finance for very large development projects by national governments
- International Finance Corporation: private sector investment arm of the World Bank
- Bilateral finance institutions linked to development assistance. More flexible financing than the development banks. Funding follows objectives of their own development programmes.
- International organisations, e.g. FAO
- Climate finance, Green Climate Fund (GCF), REDD+

The limitations of the existing financial instruments were discussed, and the need for targeted forestry development finance highlighted. Although SDGs provide a useful framework to guide the initiative, there are no financial mechanisms attached to the UN 2030 Agenda for Sustainable Development. Furthermore, financial instruments associated with international climate change agreements, including the Green Climate Fund (GCF) have yet to be effectively harnessed as a source of finance for the development of wood value chains.

The speaker from Kenyan Forest Farm Smallholder Producers Association provided an overview of current value chains in Kenya and highlighted national timber shortage as a critical constraint to scaling up these value chains. The current wood shortage is estimated to be around 14 million cubic meters per annum. Given the limited supply of timber from state-owned plantations, small growers have a key role to play in timber production.

The expansion of smallholder forestry is however constrained by several factors including limited access to finance and markets, lack of technical support and access to good quality germplasm, inadequate infrastructure and lack of added value through limited downstream processing opportunities. While crucially important, access to finance is one of many constraints that need to be addressed to promote small grower forestry in the East African region, calling for an integrated approach to small grower development and support.

Key lessons from the Kenyan case study include the need for flexible and targeted financing mechanisms, investment risk reduction measures, including the provision of collaterals, and capacity building to improve understanding of forestry businesses amongst financial institutions.

Legality and sustainability of wood value chains. Role of forest certification

Speakers: South African Forest Assurance Scheme (SAFAS), FSC Africa

The speaker from SAFAS raised important concerns about the effectiveness of FSC as a tool to promote sustainable wood value chains and the bias towards certification of large scale operations in the northern hemisphere. Africa contributes only 1.5% to globally certified forest lands. The primary reason for this, he advanced, is that the dominant certification schemes such as FSC require high levels of governance to be in place. In the case of smallholders in Africa, the speaker argued, a more nuanced, landscape based and bottom-up approach is needed to assess sustainability.

The South African Forest Assurance Scheme (SAFAS) was developed in response to difficulties faced by small and medium timber growers in obtaining FSC certification. The scheme uses a risk-based approach to make certification more effective and more appropriate to all scales of timber production, grading risk across 27 criteria of forest value (see graphic below).

The second speaker from FSC Africa provided an overview of the FSC forest certification system and role in promoting sustainable wood-based value-chains globally. FSC remains the most credible international forestry certification scheme and provides an important market-based tool for promoting sustainable timber value chains. Although the lack of forest certification in Africa is a cause for concern, FSC is actively engaged in developing smallholder certification instruments.

SDGs and certification – the case of South Africa

VALUES		SDGS
Biodiversity	Biodiversity	15, 13, 12, 6
	Landscape-level ecosystems	15, 13, 12, 6
	Ecological integrity (Conservation zones)	15, 13, 12, 6
Ecosystem Services	Recreation/Aesthetic values	12, 11, 8
	Water quality	12, 11, 6
	Water supply (quantity)	12, 11, 6
	Soil Retention	14, 12, 6
	Local climate and air quality	12, 11
	Carbon storage and the carbon cycle	13, 12, 7
	Water use locally	12, 11, 6
	Grazing	15, 14, 12, 6
Community	Archaeological and historical sites	11
	Recognition of indigenous people	11
	Indigenous knowledge	11
	Opportunities for employment	10, 8, 2, 1
	Economic development	16, 10, 8, 4, 2, 1
	Community harmony	16, 9, 3
Work Place	Fundamental rights at work	16, 10, 9, 8, 5
	H&S	10, 9, 6, 3
	Fair Wages	10, 9, 8, 1
	Work performance	10, 8
	Workers accommodation	10, 6
	Comfortable working conditions	11, 9
	Workplace harmony	16, 9
Economic	Reputation	17
	Long term productivity of timber	9, 8
	Profitability	9, 8
	Innovation	

Working Groups

Day 2 of the regional dialogue comprised facilitated discussions in working groups to identify recommendations for national roadmaps and agreement on a program of concrete actions. Working groups were formed as follows:

1. South Africa
2. Southern Africa excluding South Africa (Zimbabwe, Zambia, Malawi, Lesotho)
3. Lusophone Africa (Angola, Cape Verde, Guinea-Bissau, Mozambique)
4. East Africa (Kenya, Uganda, Tanzania, Ethiopia, Sudan)
5. West Africa (Gambia, Liberia, Nigeria, Sierra Leone)

For the composition of the groups, refer to Annex 3. The working groups broke away for the rest of the day, following a set of themes and sub-questions developed to guide the process of developing action plans and road map (see Annex 4). The findings of each group under each of the themes are summarised below. Action plans developed by each group are contained in Annex 5.

1: Scoping future wood value chains

South Africa Group: Timber plantations provide the basis for primary processing into pulp, sawn timber, treated poles and other minor products. Secondary processing involves the conversion of products from pulp mills into paper, packaging, dissolving wood pulp (DWP), tissue and more. Sawmilling products include boards, structural & industrial timber and furniture. The group identified opportunities to enhance wood-based value chains including increasing timber supply through new afforestation and recapitalisation of degraded State plantations; increasing recovery rates in timber value chains; further development and adoption of biorefinery technology; promotion of timber in construction; promote secondary and tertiary processing industries including furniture making; bioenergy development.

These opportunities are however constrained by several factors including insufficient investment in research and development of improved technology; lack of business investment finance; poor infrastructure (transport, electricity), deficit of skills; regulatory environment inhibits waste recycling; negative perception of wood as a building material.

Southern Africa group: Timber plantations and natural forests and woodlands are important sources of a wide range of essential goods and services in Southern Africa. Wood value chains include sawmilling, carving, construction timber and bio-energy (charcoal and firewood). The group identified these key opportunities to enhance wood-based value chains: recapitalisation and expansion of degraded timber plantations; improve access to local and regional markets; investment in wood processing and value addition. Plantation expansion and rehabilitation are constrained by political interference and lack of support, inadequate financing, lack of access to germplasm, forest fires, climate change, pests and diseases, poor infrastructure, lack of investment finance and scarce skills.

Lusophone Africa group: Solid wood and firewood are the leading wood value chains in these countries. Wood for these value chains comes from both natural forests and timber plantations. Opportunities for enhancing these value chains and their contribution to SDGs include sustainable management of the extensive natural forests; high potential for plantation expansion; strategic location for accessing regional and global markets; abundant labour; investment in wood processing and value addition. Constraints identified include the high rate of illegal logging, poor infrastructure, obsolete harvesting machinery and lack of investment.

East Africa Group: The principle value chains in East Africa are sawn timber, treated poles, charcoal, pulp and paper, furniture and bio-energy. Opportunities for enhancing these value chains and their contribution to SDGs include: availability of land suitable for afforestation and opportunity to expand plantations through smallholder schemes; sustainable management of extensive natural forests and woodlands; indigenous tree species improvement; research and development, especially in tree breeding; political will especially Ethiopia, Uganda, Tanzania, Kenya; abundant labour; good regional co-operation through regional bodies. The group identified the following challenges to realising these opportunities: poor infrastructure, inadequate domestic funding, lack of technical skills, market access barriers, competing land uses, corruption, lack of information.

West Africa Group: The main wood value chains are solid wood for construction, furniture, and bio-energy, almost all of which comes from natural forests. The only countries with timber plantations are Nigeria and Liberia. Products are produced mainly for local markets. Opportunities for enhancing these value chains and their contribution to SDGs: natural regeneration of degraded forests, e.g. the Gambia; capacity building in sustainable forest management; development of forest enterprise at local level; establishment of plantations to complement natural forests. Key constraints include illegal logging, corruption, lack of enforcement, inadequate forestry policies, and poor infrastructure. Unsustainable forest management prevents certification and access to overseas markets.

2. Policies and measures to enhance wood value chains

South Africa Group: Review and streamline existing regulations and procedures for afforestation permits; develop and seek support for a forestry master plan aimed at sector development; implement smallholder certification; include timber as a building requirement in government tender documents, lobby construction industry though associations (e.g. NHBRC) to promote timber as a building product.

Southern Africa Group: Lobbying politicians on the importance of wood value chains, policy and legislative reforms, investment in appropriate propagation technologies; land audit & land policy review; investment in road infrastructure.

Lusophone Africa group: Capacity building in logging operations, transport and processing; Improve knowledge of international markets; eliminate barriers for exports; legal reform; identify land suitable for plantations and negotiate access; develop planting and management plans by operators & state.

East Africa Group: Strengthening governance; policy reform (forestry and land use); a roadmap for the development of forestry sector involving forests and forests industries.

West Africa Group: Improved governance (policy development and law enforcement); devolution of power to the local people in management of forest resources; infrastructural development of electricity, road network, storage facilities; acquisition of necessary equipment and machineries for value addition; plantation establishment by private, individual and government; promote forest certification.

3. Improved capacities and knowledge

South Africa Group: Develop government-industry internship programmes; in-service further education and training; curricula reform; entrepreneurial support (pre-incubation to commercialisation.

Southern Africa Group: Intensify R & D; promote greater awareness and stakeholder involvement, skills development across the value chain.

Lusophone Africa group: Investments in education (formal training) Development of national curriculum in education with knowledge & skills in bioeconomy.

East Africa Group: Social capital development and community mobilisation; enhancing local development capacity base; organisational and institutional development; incubation and nurturing programme/mentorship across the value chains; further education and training in leadership, management, technical (engineering, marketing, tree breeding).

West Africa Group: Skill development and capacity building for community in forest management; enhance capacity of the local governing body; develop awareness of forest management concept, forest policy and legislation at local level; technical and professional training for government staff.

4. Catalysing investment in wood value chains

South Africa Group: Identify available funding, and increase awareness of funding opportunities and requirements; assist entrepreneurs in meeting funding requirements.

Southern Africa Group: Capacitate stakeholders to come up with bankable proposals to access capital; develop a centralised database for forestry information; formulate attractive investment policies (improve ease-of-doing-business); put in place anti-corruption policy; establish dedicated forestry financing institutions.

Lusophone Africa group Expand existing markets and find new ones; dedicated forestry funding instruments from the financial sector.

East Africa Group Inviting new players in banking; put in place blended funding mechanisms and venture capital fund; build capacity to access funding.

West Africa Group: Establishment of a platform on forest products availability and market information; improve capacity to access to carbon credit finance.

5. Opportunities to improve efficiency, reduce waste and integrate to bio-economy

South Africa Group: Techno-feasibility study of biorefinery and potential for expansion of the biorefinery industry; case studies to test biorefinery technologies in industrial and community-based settings; promote bioenergy.

Southern Africa Group: Investment in efficient processing technologies for bioenergy.

Lusophone Africa group: Investments in extraction, transport and processing; introduce technologies for value-added products; research & development in biotechnology and value addition; support for entrepreneurs and innovation; incentives to use forest residues.

East Africa Group: Maximization of resources (timber, resins, essential oils etc.), integrated harvesting, improving recovery, utilisation of alien plants; improved technology for better recovery; standards and grading (logs, poles etc.); maximise value in cutting plans; industrial parks near the raw materials area to utilise the wastes for production of by-products; skill development in bioeconomy; market development for various products; develop biofuel industry.

West Africa Group: Capacity building in value addition on wood products development; establishment of infrastructure for value addition, especially in bio-refinery and production of finished products such as panel and chipboard.

6. Summary of cross-cutting priorities

The working groups indicated that to reach the SW4SW vision the most urgent needs are

- High-level reforms to improve governance and put in place supportive policy and legislation in support of sustainable wood value chains (including land tenure reforms).
- Improvement in transport and other essential infrastructure
- Improving market access through removing trade barriers, better market information and creating additional markets, e.g. through public procurement
- Expansion and restoration of timber plantation asset base throughout the region. This requires access to high-quality germplasm and the use of best-operating practices. Promote Opportunity exchange of technology, germplasm and expertise in the region (South Africa has well established internationally competitive plantation industry)
- Research and development, testing and application of new technologies for more efficient use of raw materials and value-added products/new products. Pilot projects and establishment of industrial parks near to raw material supply.
- Capacity building for entrepreneurs across the value chain and with particular attention to understanding financial instruments and access to finance
- Development of appropriate financial instruments, including private sources, for the development of forest asset base and the timber value chain.
- Campaigns and other means to raise awareness and promote important roles of wood-based value chains
- Develop standards for new wood-based products, including standards for the use of wood in construction

The Key role for smallholders & SMEs key role was acknowledged in all countries.

The SW4SW initiative was supported widely, and there is an expectation that FAO and the partners will be committed to concrete follow up actions.

SW4SW investment forum

Introduction

Inclusive and sustainable wood value chains can provide significant climate benefits as well as contribute to poverty reduction through increased employment and incomes. A key constraint to scaling up wood value chains is access to sustainable investment finance. Barriers include the perception of forestry as a high-risk business, extremely fragmented value chains, unattractive investment conditions (e.g., weak governance, inadequate infrastructure, high transaction costs, lack of financial literacy in the sector), and limited capacity by SMEs and local market participants to attract and access finance (lack of bankable projects).

Appropriate financing instruments are needed to enable expansion of forest assets and for further development of wood value chains. In practical terms, this means better application of existing financial instruments, design of new instruments and blending finance from different sources (use of development finance for the mobilisation of additional funding). Tree growers require patient capital (long-term equity) to expand the assets while SME's, producers and their organisations need financial intermediaries that can deliver and guarantee appropriate sizes of debt or equity. Besides, smallholder associations and SMEs need to improve their capacities in financial/business management.

Objectives

- To provide a platform
    - for investors and project developers to assess the business environment and screen opportunities for potential investments in the region;
    - for private sector actors and policymakers at national and regional levels to meet and exchange knowledge and articulate commitments to improve the investment climate in the region;
    - for forest owners of different sizes to increase the asset value with appropriate market channels;
    - for all participants to identify commonalities to maximise their impacts through collective action efforts
- To share best practices, learn from peers, gain a broader understanding of the changing political environment as it pertains to private sector development;
- To provide guidance and practical examples for ways in which private investment can lead to achieving sustainable development goals (SDGs); and
- To provide greater exposure of bankable projects in the region to interested investors

Opening session and setting the scene presentation

Edward Kilawe, Forestry Officer from FAO South Africa office, moderated the opening session. Petri Lehtonen gave an opening presentation to set the scene for the panel discussions. The lack of investment into timber plantations was highlighted as a central factor limiting further development of wood value chains in Africa. Although markets for wood products are rapidly growing, investment in the sector is still considered risky and the deficit between supply and demand continues to grow. A holistic approach to risk reduction is needed, focusing on creating a conducive business environment. Key factors to be addressed include:

- Lack of knowledge, communication and information about potential investments

- Lack of bankable projects
- Weak governance
- Unfavourable policy environment
- Lack of appropriate financial instruments
- Under-developed industrial infrastructure
- Weak linkages between forestry producers and wood value chains

Steps are needed to lower investment risks by addressing core problems in the business environment, improving information and communication in the sector, skills development and capacity building and supporting the development of bankable projects. The key issue is that smallholders and small and medium enterprises with the potential to expand lack the capacity to develop bankable projects needed by local and international financiers.

The development of a forestry value chain requires investment through four phases: Proof of concept (planning phase); plantation development and expansion; industrial development (developing markets, processing facilities and infrastructure); and finally, industrial expansion. Grant funding is needed for the first phase, and this can usually be accessed through philanthropic sources. The critical funding gap is during phase 2 and 3 before the value chain becomes fully established and cash positive.

Round table panel discussion focusing on forest asset development

Focus: Panelists were asked to address the question of financing for forestry asset development, drawing from their own experience and professional context.

Panellists:

Leandro Azevedo, African Development Bank
Julian Ozanne, New Forest Company
Geoffrey Wanyama, Forest Producer association, Kenya (FFSPAK)
Radek Stech, Exeter Law School

Round table panel discussion focusing on value chain development

Focus: Panelists were asked to speak about key challenges and opportunities for the financing of further development of wood value chains in the region.

Panellists:

Zano Mataruka, International Finance Corporation
Steven Ngubane, Industrial Development Corporation – South Africa
Jim Heyes, Criterion Africa Partners
Piet van Zyl, York Timbers

Key points from the panel discussions

- Demand for forest goods and services considerably outstrips supply throughout the region, and this is a key limitation in developing sustainable wood value chains
- There is an urgent need to ensure sustainable use of existing natural forests and to create and expand brown- and green-field plantation assets

- The private sector is the critical player in building up the sustainable, scaled value chains; i.e. in financing, investing and implementing the projects/operations
- The current DFI finance instruments have too large ticket size, not enough equity (especially long-term patient capital for greenfield plantation investments) and the debt instruments (senior loans, mezzanine finance) have too high-interest rates, debt service ratios and too short exit (payback) periods. The result has been that many private plantation developers have run into liquidity crises
- Grants (government, development partners) are still needed especially in greenfield plantation development
- Smallholder tree growers and small and medium enterprises in the value chain have great potential in Africa but are constrained by a very limited set of available finance instruments
- The role of markets is crucial. Plantation establishment needs to be closely linked to secure and sufficiently lucrative markets. Tanzanian small timber growers have rapidly expanded to meet the high demand for wood products despite very limited finance and support
- There is an important need to develop strong farmer/producer associations building on successful cooperatives and associations in different countries in the region (Kenya Tea Growers Association, NCT Forestry in South Africa).
- Efficient extension services and technical input is crucial for small growers and producers. Kenya Timber Growing Association (KTGA) and NCT Forestry have demonstrated effective models in this regard
- Smallholders/farmers are not necessarily entrepreneurs. Value chains must have involvement of strong entrepreneurs of different sizes, and that has to be considered in support/aid efforts
- The importance of developing and diversifying wood value chains was emphasised. This requires investment in product development and assurance of markets.

SW4SW National dialogue

A national dialogue session took place in the afternoon. The dialogue comprised two presentations on timber in construction and sustainability:

- Rediscovering Timber: Timber in construction and its sustainability. Dr Philip Crafford, University of Stellenbosch, Forest and Wood Science
- TheWoodApp: Wood online training initiative to architects and engineers in wood as a building material. Dr Philip Crafford, University of Stellenbosch, Forest and Wood Science

Key points from presentation and discussion
The performance of wood as building material exceeds steel and concrete, but wood construction is held back by lack of acceptance, and the lack of building codes and standards, especially for multi-storey buildings and large structures. Other countries in the world are leading the way in building with wood and lessons can be learnt from them. Readily available and local online resources in wood design and building are recommended.

Final remarks and way forward for SW4SW initiative

The SW4SW is expected to continue with concrete actions to support a regional vision for sustainable wood value chains. In summary, the urgent action points arising from the meeting are:

- integrating farm forestry to scaled wood value chains;
- improving market access to value-added wood products (in some cases even creating markets – e.g. public procurement);
- application of new technologies (more efficient use of raw materials and value-added products/new products);
- capacity building (in finance & technologies);
- finance – especially private sources; and
- Cross-sectoral policies that support the development of sustainable farm forestry-based wood value chains.

The meeting concluded with a final vote of thanks and official closing.

Annexes

Annexe 1: Agenda

"Sustainable Wood for a Sustainable World" (SW4SW)
Regional Dialogue for Africa
Johannesburg, South Africa 28-30 October 2019

Time	Session	Panellists/facilitators
1st day (29 October)	**The Sustainable Wood for a Sustainable World Initiative** Presentation of the framework and discussion of potential SW4SW roadmaps	
8:00 – 9:00	**Registration and welcome coffee**	
9:00-9:30	Opening session and installation of the Workshop secretariat	Security brief – FAO FAO, Francesco Maria Pierri Department of environment, forestry and fisheries of RSA, Acting DDG of Forestry and Natural Resources Management, Morongoa Leseke Paper Manufacturers Association of South Africa, Jane Molony Moderator Edward Kilawe
9:30 – 10:00	Introduction of the workshop and presentation of participants	FAO Facilitator: Jeanette Clarke
10:00 – 10:30	**Coffee break**	
10:30 - 11:00	Presentation of the SW4SW Initiative: objectives and contributions of partner organisations	FAO, Petri Lehtonen CIFOR, Kaala Moombe
11:00 – 12:00	SW4SW and wood value chains' contributions to the SDGs	FAO, Petri Lehtonen
12:00 – 13:00	**Lunch**	
13:00 – 14:30	Wood value chains in Africa	Kenya Forest Service (Monica Kalenda) Uganda Timber Growers Association, Dennis Kawuma Saw Log Production Grant Scheme in Uganda, Leonidas Hitimana Mondi, Brent Corcoran Moderator: Edward Kilawe
14:30 – 15:30	SW4SW and the bioeconomy	FAO PAMSA Council for Scientific and Industrial Research (CSIR), Bruce Sithole Moderator: Julie Borland
15:30 – 16:00	**Coffee break**	
16:00 – 17:00	Markets and finance	Forest Farm Smallholder Producers Association of Kenya, Geoffrey Wanyama AfDB, Leandro Azevedo Moderator: Kaala Moombe
16:30 – 18:00	Legality and sustainability of wood value chains. Role of forest certification	FSC, Manushka Moodley SA Forestry, Steven Germishuizen Moderator: Jeanette Clarke
18:00 – 18:30	Plenary discussion, closing	Facilitator

2nd day (30 October)	Facilitated discussion to identify possible recommendations for national roadmaps and agreement on a program of concrete actions	
9:00- 9:30	Formation of working groups Recap from day 1 Guidelines for working group tasks	
9:30– 10:30	Scoping Future Wood Value Chains Format: focus groups; reporting of the results; facilitated discussion	
10:30 – 11:00	Coffee break	
11:00-12:00	Policies and measures to enhance wood value chains Format: focus groups; reporting of the results; facilitated discussion	
12:00 – 13:00	Finance, information, capacities Format: focus groups; reporting of the results; facilitated discussion	
13:00-14:00	Lunch	
14:00 – 15:00	Road Map towards Bioeconomy Format: focus groups; reporting of the results; facilitated discussion	
15:00 – 15:30	Coffee break	
15:30 - 17:00	Groups' reporting on the results of the roadmap development Format: plenary session	Facilitators: Jeanette Clarke/ Petri Lehtonen
17:00 – 17:30	Conclusions and discussion on the roadmaps developed and concrete steps to disseminate the results of the meeting	Facilitators: Jeanette Clarke/ Petri Lehtonen

Sustainable Wood for a Sustainable World (SW4SW)
Investment Forum
Johannesburg, South Africa 31 October 2019

Time	Session	Panellists/facilitators
8:00 – 8:30	Registration	
8:30 – 9:00	Investment Forum. Opening session and keynote speech	• FAO, Edward Kilawe
9:00 – 10:15	Round table/panel focusing on forest asset development Format: plenary session and facilitated discussion Key questions What are the opportunities and obstacles to develop the asset base in your region? How can smallholders and their associations be in a better position to invest in forestry? What is the role of the Governments and international associations in catalysing forest investments?	• AfDB, Leandro Azevedo • New Forest Company, Julian Ozanne • Forest Producer association, Kenya (FFSPAK), Geoffrey Wanyama • Radek Stech, Exeter Law School

Time	Session	Panellists/facilitators
10:15 – 10:45	Coffee break	
10:45 – 12:00	Round table/panel focusing on value chain development Format: plenary session and facilitated discussion Key questions What are the opportunities and challenges for value chain (industrial) development in your case? How can smallholders and SMEs integrate into value chains? How to improve efficient use of wood raw material? How to improve the market access and value-added considering the growing trade deficit of wood products in large parts of Africa?	• IFC, Zano Mataruka • Industrial Development Corporation – South Africa; Steven Ngubane • Criterion Africa Partners, Jim Heyes • York Timbers, Piet van Zyl
12:00 – 13:00	Potential synergies and complementarities (seeking win-win solutions). Strengthening manufacturing and business capability across sustainable wood value chains - South Africa Investment Incentives Format: plenary session and facilitated discussion	Facilitators: Mike Howard, Petri Lehtonen
13:00 – 14:00	Lunch break	
14:00 – 14:30	National Dialogue. Opening and keynote speech	Government/FSA/SSA
14:30 – 15:30	Timber in construction and its sustainability With reference to: http://scholar.sun.ac.za/handle/10019.1/105890	Dr Philip Crafford, University of Stellenbosch, Forest and Wood Science
15:30 – 16:00	Coffee break	
16:00 – 16:30	TheWoodApp: Wood online training initiative to architects and engineers in wood as a building material	Dr Philip Crafford, University of Stellenbosch, Forest and Wood Science
16:30 – 17:00	Furniture sector initiatives	
17:00 – 18:00	Closing remarks	Government

Annexe 2: Participants of the SW4SW Regional dialogue in Africa

COUNTRY	NAME	DESIGNATION	EMAIL	SECTOR
ANGOLA	Jose Verissimo	Angolan Private Timber Association	orgverissimo@gmail.com	private sector
CAPE VERDE	Maria do Monte Da Graça Gomes Varela	Ministry of Agriculture and Environment	Maria.M.Gomes@maa.gov.cv	Government
ETHIOPIA	Menassie Gashaw Yimer	Ministry of Environment, Forest and Climate Change	menassiemolla@gmail.com	Government
GAMBIA	Ebrima Camara	All Gambia Forestry Platform	pcamara55@gmail.com	Producer association
GAMBIA	Cherno Gaye	Department of Forestry, Ministry of Environment, Climate Change and Natural Resources (MECCNAR)	chernogaye71@yahoo.com	Government
GUINEA-BISSAU	Mamadú Mané Camará	Direction Générale des Forêts et de la Faune - Ministère de l'Agriculture, des Forêts et de l'Elevage	mamadu2011@gmail.com	Government
KENYA	Monica Nekoye KALENDA	Kenya Forestry Service (KFS)	mkalenda@kenyaforestservice.org	Government
KENYA	Geoffrey Wanyama	Farm Forest Smallholder producer Association (FFSPAK)	gwanyama@ffspak.org	Producer association
KENYA	Rory Mack	Gatsby foundation	rory.mack@gatsbyafrica.org.uk	Finance organisation
LESOTHO	Mokete Bereng	Ministry of Forestry and Land Reclamation	jacobmb688@gmail.com	Government
LIBERIA	Emmanuel Ekema Alexander Witherspoon	Liberian Timber Association (LibTA)	unclee61@gmail.com	Producer association
MOZAMBIQUE	Jorge Isaias Cabral Chacate	AMOMA	jorgechacate@yahoo.com.br	Producer association
MOZAMBIQUE	Przemyslaw Jan Walotek	FAO Mozambique - CTA MOZFIP	Przemyslaw.Walotek@fao.org	FAO
MOZAMBIQUE MOZAMBIQUE	Claudio Alfonso Andre Humeid	DINAF, Department of Native Forest and Industry MASA	claudioafonso@live.com -	Government
NIGERIA	Fola Babalola	Forest Socioeconomics, University of Ilorin	babalola.fd@unilorin.edu.ng	Academia
SOUTH AFRICA	Ben Durham	BioEconomy Champion, DST	Ben.Durham@dst.gov.za	Government
SOUTH AFRICA	Roy Southey	Sawmilling South Africa	sawmillingsa@icloud.com	Producer association
SOUTH AFRICA	Dave Everard	SAPPI/FSA	David.Everard@sappi.com	Private sector

SOUTH AFRICA	Jane Molony	Paper Manufacturers Association of South Africa (PAMSA)	jane.molony@pamsa.co.za	Producer association
SOUTH AFRICA	Julie Borland	Paper Manufacturers Association of South Africa (PAMSA)	borlandj@mweb.co.za	Producer association
SOUTH AFRICA	Samantha Choles	Paper Manufacturers Association of South Africa (PAMSA)	sam@frogcomm.co.za	Producer association
SOUTH AFRICA	Steven Germishuizen	South Africa Forestry Assurance Scheme	steve@aes.co.za	Producer association
SOUTH AFRICA	Manushka Moodley	FSC South Africa	m.moodley@fsc.org	International organisation
SOUTH AFRICA	Bruce Sithole	CSIR Forestry and Forest Products Research Centre	bsithole@csir.co.za	Academia
SOUTH AFRICA	Phillip Crafford	Stellenbosch University	pcrafford@sun.ac.za	Academia
SOUTH AFRICA	Michael Peter	Forestry South Africa	mike@forestrysouthafrica.co.za	Producer association
SOUTH AFRICA	Garth Barnes	Department of environmental affairs, Water programme	GBarnes@environment.gov.za	Government
SOUTH AFRICA	Dr Mary Scholes	University of the Witwatersrar	Mary.Scholes@wits.ac.za	Academia
SOUTH AFRICA	Pumeza Nodada	Department of Environment Forestry and Fisheries	PumezaN@daff.gov.za	Government
SOUTH AFRICA	Morongoa Leseke	Department of Environment Forestry and Fisheries	MorongoaL@daff.gov.za	Government
SOUTH AFRICA	Tebogo Mathiane	Department of Environment Forestry and Fisheries	TebogoMAT@daff.gov.za	Government
SOUTH AFRICA	Renny Madula	Department of Environment Forestry and Fisheries	RennyM@daff.gov.za	Government
SOUTH AFRICA	Mmakwena Maleka	Department of Environment Forestry and Fisheries	MmakwenaM@daff.gov.za	Government
SOUTH AFRICA	Chris Mashilo	Department of Environment Forestry and Fisheries	-	
SOUTH AFRICA	Andrew Morris	Institute for Commercial Forestry Research	andrew.morris@icfr.ukzn.ac.za	Academia
SOUTH AFRICA	Ilaria Germishuizen	Institute for Commercial Forestry Research	Ilaria.Germishuizen@icfr.ukzn.ac.za	Academia
SOUTH AFRICA	Steven Ngubane	Industrial Development Cooperation	StevenNg@idc.co.za	
SOUTH AFRICA	Mandisa Dlamini	Industrial Development Cooperation	MandisaD@idc.co.za	
SOUTH AFRICA	Piet van Zyl	York Timbers	PvanZyl@york.co.za	Finance organisation
SOUTH AFRICA	Marko Saarinen	Embassy of Finland in South Africa	Marko.Saarinen@formin.fi	Embassy
SOUTH AFRICA	Tafadzwa Nyanzunda	the dti (Forestry Based Unit)	TNyanzunda@thedti.gov.za	Government
SOUTH AFRICA	Stella Maphiri	the dti (Forestry Based Unit)	SMaphiri@thedti.gov.za	Government

SOUTH AFRICA	Kwena Ramagoshi	the dti (Investment Promotions)	KRamagoshi@thedti.gov.za	Government
SOUTH AFRICA	Brent Corcoran	Mondi/NGP	Brent.Corcoran@mondigroup.com	International organization
SOUTH AFRICA	Dr Diphoko Mahango	Forest Sector Charter Council	-	
SOUTH AFRICA	Rally Moropa	Forest Sector Charter Council	-	
SOUTH AFRICA	Thabi Shange	Forest Sector Charter Council	-	
SOUTH AFRICA	Khosi Mabvumela	Forest Sector Charter Council	-	
SOUTH AFRICA	Kenilwe Mabena	Department of Public Enterprise	-	
SOUTH AFRICA	Martin Loubser	Nelson Mandela University	-	
SOUTH AFRICA	Francois Marais	Fibre Circle	francois.Marais@fibrecircle.co.za	
SUDAN	Hassan Elamin Hassan Ibrahim	Director Forests Management, General Directorate	manager.fnc@gmail.com, hassanibrahim098@gmail.com	Government
TANZANIA	Ben Sulus	Tanzanian Sawmillers	bensulus@gmail.com	Producer association
UGANDA	Leonidas Hitimana	FAO Sawlog Grant Scheme in Uganda	Leonidas.Hitimana@fao.org	donor projects
UGANDA	Dennis Kavuma	Uganda Timber Growers association	dennisk@utga.ug	Producer association
UGANDA	Walter Mapanda	FAO	-	
ZAMBIA	Ernest Chingaipe	Forest and Farm Facility	chingaipe@hotmail.com	Government
ZAMBIA	Ephealo Ndele	Choma Charcoal producers Association		producer association
ZIMBABWE	Stephen Zingwena	Ministry of Environment, Water and Climate	szingwena@gmail.com	Government
ZIMBABWE	Ainos Walter Chirangande	Forestry Commission, Ministry of Environment, Water and Climate	wachirangande@gmail.com	Government
ZIMBABWE	Darlington Duwa	Timber Producers Federation of Zimbabwe(TPF)	dduwa2014@gmail.com	producer association

FAO/observers/facilitators/ speakers

NAME	DESIGNATION	EMAIL	SECTOR
Petri Lehtonen	Forest finance expert	petri.lehtonen@fao.org	FAO
Radoslaw Stech	Sustainable Finance - Law - Stakeholders (SFLS) Network, University of Exeter Law School	radek.stech@gmail.com	Academia
Zano Mataruka	IFC	zmataruka@ifc.org	Finance organization
Jim Heyes	African Criterion	jim@criterionafrica.com	Private sector
Hans Lemm	Green Resources	hans.lemm@greenresources.no	Private sector
Julian Ozanne	New Forest Company	julian.ozanne@newforests.net	Private sector
Leandro Azevedo	African Development Bank	L.AZEVEDO@AFDB.ORG	Finance organization
Kaala Moombe	CIFOR Yaoundé Hub	K.Moombe@cgiar.org	International organization
Michael Howard	Facilitator of the investment Forum	mdhoward@iafrica.com	
Jeanette Clarke	Facilitator of the Dialogue	3albertrd@gmail.com	
Edward Kilawe	Forestry officer	edward.kilawe@fao.org	FAO
Francesco Pierri	FAO Representative in South Africa	francesco.pierri@fao.org	FAO
Lot Mlati	Assistant FAOR (programme)	lot.mlati@fao.org	FAO
Rachel Hlazo	Administrative assistant	rachel.hlazo@fao.org	FAO

Annexe 3: Composition of Working Groups

Group 1 South Africa

NAME	DESIGNATION
Dave Everard	SAPPI
David Wood	SAPPI
Jane Molony	Paper Manufacturers Association of South Africa (PAMSA)
Julie Borland	Paper Manufacturers Association of South Africa (PAMSA)
Manushka Moodley	FSC South Africa
Mary Scholes	WITS
Bruce Sithole	CSIR Forestry and Forest Products Research Centre
Garth Barnes	Department of environmental affairs, Water programme
Renny Madula	DEFF
Andrew Morris	Institute for Commercial Forestry Research
Ilaria Germishuizen	Institute for Commercial Forestry Research
Steven Ngubane	Industrial Development Cooperation
Mandisa Dlamini	Industrial Development Cooperation
Tafadzwa Nyanzunda	the dti (Forestry Based Unit)
Kwena Ramagoshi	the dti (Investment Promotions)
Brent Corcoran	Mondi/NGP
Diphoko Mahango	Forest Sector Charter Council
Palesa Motaung	Forest Sector Charter Council
Daniel Kivetts	Forest Sector Charter Council
Thabitha Shange	Forest Sector Charter Council
Martin Loubser	Nelson Mandela University
Stella maphiri	The dti
Lot Mlati	FAO

Group 2 Southern Africa

LESOTHO	Mokete Bereng	Ministry of Forestry and Land Reclamation
ZAMBIA	Ernest Chingaipe	Forest and Farm Facility
ZAMBIA	Ephealo Ndele	Choma Charcoal producers Association
ZIMBABWE	Stephen Zingwena	Ministry of Environment, Water and Climate
ZIMBABWE	Ainos Walter Chirangande	Forestry Commission, Ministry of Environment, Water and Climate
ZIMBABWE	Darlington Duwa	Timber Producers Federation of Zimbabwe(TPF)

Group 3: Lusophone Africa

ANGOLA	Jose Verissimo	Angolan Private Timber Association
CAPE VERDE	Maria do Monte Da Graça Gomes Varela	Ministry of Agriculture and Environment

GUINEA-BISSAU	Mamadú Mané Camará	Direction Générale des Forêts et de la Faune - Ministère de l'Agriculture, des Forêts et de l'Elevage
MOZAMBIQUE	Jorge Isaias Cabral Chacate	AMOMA
MOZAMBIQUE	Przemyslaw Jan Walotek	FAO Mozambique - CTA MOZFIP
MOZAMBIQUE	Claudio Alfonso	DINAF, Department of Native Forest and Industry
MOZAMBIQUE	Andre Humeid	MASA

Group 4: East Africa

ETHIOPIA	Menassie Gashaw Yimer	Ministry of Environment, Forest and Climate Change
KENYA	Monica Nekoye KALENDA	Kenya Forestry Service (KFS)
KENYA	Geoffrey Wanyama	Farm Forest Smallholder producer Association (FFSPAK)
KENYA	Rory Mack	Gatsby foundation
SUDAN	Hassan Elamin Hassan Ibrahim	Director Forests Management, General Directorate
TANZANIA	Ben Sulus	Tanzanian Sawmillers
UGANDA	Leonidas Hitimana	FAO Sawlog Grant Scheme in Uganda
UGANDA	Dennis Kavuma	Uganda Timber Growers association
UGANDA	Walter Mapanda	FAO

Group 5: West Africa

GAMBIA	Ebrima Camara	All Gambia Forestry Platform
GAMBIA	Cherno Gaye	Department of Forestry, Ministry of Environment, Climate Change and Natural Resources (MECCNAR)
LIBERIA	Emmanuel Witherspoon	Liberian Timber Association (LibTA)
NIGERIA	Fola Babalola	Forest Socioeconomics, University of Ilorin

Annexe 4: Guidelines for Working Groups

SESSION 1: SCOPING FUTURE WOOD VALUE CHAINS

(1) Identify principle value chains in your region
(2) What opportunities are there to enhance these value chains and their contribution to SDGs?
Think about opportunities along the entire value chain – forest assets (natural forests, plantations – improving existing assets, expanding/creating new plantations); logistics, value-added processing, scaling, market opportunities)
(3) What are the key constraints and challenges to realising these opportunities?

SESSION 2: POLICIES AND MEASURES TO ENHANCE WOOD VALUE CHAINS (Following on from session 1)

(1) What needs to be done to address the key constraints and challenges
Think about policy, legislation, skills development, governance structures, awareness-raising
(2) What are the critical steps in short, medium and long term to enhance value chains?
(3) Who will do what? (Stakeholders undertakings)

SESSION 3: FINANCE, INFORMATION, CAPACITIES (Following on from sessions 1&2)

(1) What major information, capacity and resource gaps need to be bridged to catalyse more investment for sustainable wood value chains?
Think about the information on resources, local and regional markets for wood products; available finance from different sources
(2) How to catalyse investments in value chains – consider up and downstream
Think about the constraints discussed in session 1. Where do you see opportunities to attract more finance, develop new markets or expand existing ones?
(3) What are the roles of public versus private finance?
In the long term, we need sustainable finance from various sources. Think about how public finance can be used to de-risk private investments and ensure inclusivity (access to finance for smallholders and micro enterprises). Think further how to leverage private investment with public funding – e.g. blended finance instruments where grants are used to leverage non-grant investment (equity, loans, guarantees).
(4) What is the role of information and capacity building in finance?
(5) What action should be taken, who will take it? (undertakings)

SESSION 4: ROAD MAP TOWARDS BIO-ECONOMY (wrapping up all the previous sessions)
Think how the identified value chains can be developed towards "bioeconomy based on learnings from Day 1
(1) What opportunities are there to enhance increase efficiency, reduce waste, and increase the contribution of the bioeconomy?
(2) What specific actions are required by various actors, and what can you do to promote these actions?

Prepare a road map summarising the key outcomes from the previous sessions

Annexe 5: Detailed Action Plans developed by Working Groups

South Africa Group

Action steps – short term	Responsible
• Compile a list of available funding & create a centralized digital platform • Review governance structures (Intergovernmental governance Act) • Assist potential entrepreneurs to meet funding requirements • Place low and semi-skilled workers in research groups • Place DAFF interns in the industry • Develop feasibility study for bio-refinery technology • Mitigate the negative perception of wood value chains (communication strategy) • Awareness-raising of benefits of bioeconomy and other sector opportunities (communication strategy) • Implement industrial bioeconomy platform • Downscaling regional climate models for the sector • Using wattle as a commodity development study for integrated value chains • Support for black farmers to access core funding • Entrepreneurial Support (pre-incubation to commercialisation)	Industry/PAMSA DEFF dti All Industry/Wits DAFF/Industry CSIR All All DSI Wits DEFF/Wits SEDA/NYDA/ NEF

Action steps – medium term	Responsible
• Lobby construction industry to formalise standards for timber construction • Include timber in DWP tenders • Effective implementation of an integrated licensing system • Waste beneficiation • Curriculum reform • Approach DHET for skills funding • Develop case studies (pilot and demonstrate identified technology) • Develop a Master Plan • Develop Environmental Framework for approval of licensing (Like IDZ) • Afforestation (40 000 ha in Eastern Cape) • Provide incentives for retired sector experts to impart knowledge to youth • Implement smallholder certification	dti dti DWS Industry DHET/Industry/ Academia dti/Industry CSIR/DSI Consultant DEFF/IDC/Industry/ FSA All Dti/ Industry/DEFF

Action steps – long term	Responsible
• Afforestation (remaining 60 000 ha) • Operationalise forum in Governance Act • Localisation • Mobile processing units • Bioenergy • Regional integration • Co-creation and co-beneficiation	Industry/DEFF Dti/Industry Dti/Industry CSIR/dti/Industry Industry Industry/dti

Southern Africa Group

Policies for enhancing wood value chains

Challenge	Solution	Stakeholders (by who?)	Timeframe
- Political interference - Inadequate financing - Inadequate political support for forestry - Forest fires - Non/obsolete policy - Change in climate - Pests/diseases	Persistent lobbying Mobilise resources Persistent lobbying Awareness, resources, stakeholder involvement & law enforcement Policy/Legislative reforms Adaptation & mitigation strategies Integrated Pest/disease mgt, regional cooperation	Government & Relevant institutions Relevant institutions Relevant institutions Relevant Institutions Relevant institutions Relevant institutions Government, relevant institutions	Medium Short/M Short/M Short Medium Long Medium
- Inadequate propagation material - Land tenure security	R & D; Investment in appropriate propagation technologies Land audit & Land policy review/enact.	Relevant institutions Government	Short/M Medium
- Inadequate/ inaccessible road network	Invest in road construction/ rehabilitation	Government & Relevant institutions	S/M/L
- Capital for equipment - Inadequate skill	Capacitate stakeholders to come up with bankable proposals to access capital Capacity building	Financiers & relevant institutions	S/M/L S/M/L
- Meeting international quality & quantity standards	Skills development and investment in appropriate technologies		S/M/L

Finance, information and capacities

Challenge	**Solution**
- Forest resource inventory outdated - No single repository for bio-socio information on forests - Economic contribution of forestry to GDP under-stated - Non-competitive production costs & pricing - Lack of dedicated forestry financial institutions - Certification required to penetrate specific markets for forest products -Economies of scale needed for regional & international markets	Develop a centralised database for forestry information Attractive investment policies (improve ease-of-doing-business) Presence of Anti-corruption policy Dedicated forestry financing institutions

Lusophone Africa Group

1. Policies and measures to enhance wood value chains

- Remove export barriers
- Legal reform
- Incentives for forestry
- Access to land: authorisation for access to land by the state
- Identification of land areas by state, operators & communities
- Negotiation with local communities by state, operators and communities
- Development of management plans by operators & state
- Engagement of all market participants
- Investments in technologies and processing

2. Improved capacities and knowledge

- Capacity building in logging operations, transport and processing
- investments in extraction, transportation and processing
- Improve knowledge of international markets: Market studies
- Capacity building in preparing bankable projects
- Market information system
- Capacity building for forest operators in technologies and processing

3. How to catalyse investment in wood value chains

- Create specific incentives to improve forest economy
- Expand existing markets and find new ones
- New products
- New instruments from the financial sector and alternative sources of financing
- Introduce technologies for value-added products
- Improve the business environment for financial sector focusing on forests

4. Opportunities to improve efficiency, reduce waste and integrate to bio-economy

- Improved technologies
- Improved logging & transport systems to increase the profitability
- Knowledge of new markets
- Research & Development investments to generate new knowledge
- Support for entrepreneurship and innovation
- Studies of alternative markets for forest products
- Assessment of existing industries that are engaged in bioeconomy
- Development of national curriculum in education with knowledge & skills in bioeconomy
- Investments in education (formal training)
- Promotion of agrosilvopastoral systems
- Incentives to use forest residues

East Africa Group

1. Policy and governance

Constraints	Action steps
• Underdeveloped infrastructure • Inadequate domestic funding • Lack of technical skills • Market access barriers • Competing land uses • Corruption • Lack of information	**Short/Medium** • Strengthening governance …stakeholder engagement • Building capacity • Sharing information and awareness • Enhancing local development capacity base\ • Development of sectoral strategies • lobby for improved road conditions/network • Development and implementation of land-use planning/ sustainable forestry • law enforcement, awareness-raising • creation of databases and sector information management systems **Long term** • Development of policies - land use and land tenure • Roadmap for the development of forestry sector involving forests and forests industries

2. Finance information and capacity

Constraints	Action steps
Resource Gaps • Raw material, finance, technology and market access **Information Gaps** • Information (inventory, technology **Capacity Building Gaps** • Leadership in the value chain • Management • Technical Skill (engineering, marketing, tree breeding) • The capacity of the private sector is still young and therefore dependent on the government	Investment and raw material production Incentives Inviting new players in banking, new technologies Blended funding mechanism Leveraging value chain opportunities Venture capital fund Building capacity to access funding • Information on available finances • Inventory • Risk analysis • Ability to develop competent proposals • Investment centres/EPZ/innovation hubs Social capital development and community mobilisation Organisational and institutional development Incubation and nurturing programme/mentorship across the value chains (Development partners key role)

3. Road Map Towards Bio-Economy

Opportunities	Specific Actions needed
Maximisation of resources (Timber, resins, essential oils etc.), integrated harvesting,	Sensitising the government Feasibility study & Business plans for various options

improving recovery, utilisation of alien plants for some products Better/right technology for better recovery Categorisation/sorting into different classes (logs, poles etc.). Maximisation of cutting plans (Recovery and value recovery) Biofuels	Markets development for multiple products Develop standards and grading Development of laws and policies Development/acquisition of relevant technology Industrial parks near the raw materials area to utilise the wastes for production of by-products. Skills development

West Africa Group

Policy measures needed

Development of National Forest Policy, e.g. Nigeria
Enforcement of forest policy and legislation, e.g. Liberia and the Gambia
Skill development and capacity building for the community in forest management
Governance
Organisation and restructure of the governance for forestry sector e.g. Nigeria
Enhance capacity of the local governing body, e.g. the Gambia and Liberia
Awareness-raising
Awareness on forest management concept, forest policy and legislation at local level

Critical steps in short, medium and long term. Who will do what?

Action steps – short term (less than 5 years)	Responsible
Urgent forest policy and legislation Technical and professional training for government staff Capacity building on value addition on wood products development Training for local communities on forest management Devolution of power to the local people in the management of forest resources e.g. Nigeria	Government Government Private Company Civil Society / Government Government

Action steps – medium-term (5-10 Years)	Responsible
Infrastructural development, e.g. electricity, road network, storage facilities, etc. Acquisition of necessary equipment and machinery for value addition Plantation establishment by private, individual and government	Government Government/ Private Company Private / Government

Action steps – long term (10 Years)	Responsible
Establishment of infrastructure for value addition especially in bio-refinery and production of finished products, e.g. panel and chipboard Targeting forest certification	Government/ Private Government

Annexe 6: Summary of Meeting Feedback

Total number of completed forms submitted: 34
Forms were given out at the end of Day 2 and the end of the Regional Dialogue. The total number of participants (not including FAO and facilitators) was 54 on that day; 65% of participants completed evaluation forms.

Evaluation feedback forms- rating summary

1: Excellent 2: Good 3: Average 4: Fair 5: Poor

	Rating						
	1	2	3	4	5	NR	Total N
Amenities	11	11	3	2	0	7	34
Plenary day 1							
Topic	16	10	1	3	0	4	34
Usefulness	14	14	3	2	0	1	34
Added value	14	10	5	4	1	0	34
Interactivity	14	10	5	5	0	0	34
Breakaway groups day 2							
Topic	19	8	2	2	0	3	34
Usefulness	15	12	1	2	0	4	34
Added value	15	14	0	2	1	2	34
Interactivity	16	12	1	3	1	1	34
Most useful sessions							
Wood value chains and SDG	19	9	1	1	1	3	34
Legality and sustainability	12	10	1	1	1	9	34
Markets and finance	6	11	5	2	0	10	34
Bio-economy	20	6	3	0	1	4	34

Amenities
64% rated these excellent/ good. Those who rated fair/poor added comments about seating arrangement (2), and poor quality of the data projector (2).

Plenary day 1
75% rated this session excellent/ good for all aspects on Day 1. 'Topic' received the highest rating.

Breakaway groups Day 2
82% rated the break-away group session excellent /good for all aspects. Once again 'topic' received the highest rating overall.

Most useful sessions
Bio-economy and wood value chains rated highest as the most valuable sessions. This is supported by comments in the feedback form (see below) and during plenary discussions. Markets and finance had the lowest number of excellent/good ratings and the highest number of no responses. This suggests that this critical session was not as well covered during the dialogue as participants would have liked.

Priority for future action

- Bioeconomy: more research and information sharing (8 mentions)
- Follow up from the meeting required, share report and share presentations (6)
- Further Information sharing and networking, follow up meetings/task teams to implement action plans (6)
- Markets, clustering market development and regional approach to forestry (4)
- Expand SW4SW initiative to West Africa (3)
- Financing (3)
- Legality and sustainability (2)
- Wood value chains and SDG (2)
- More interaction between FAO and African countries on wood value chains
- Alignment and collaboration between government and industry
- Forest industry enterprise development programme
- Production technology development and access promotion
- SME access to funding
- Promotion of a timber/wood culture
- More discussion on policy, legal and regulatory frameworks – and later on the private sector and financial institutions

Other comments

- Limited time for discussion and planning (4)
- Great workshop and a good platform for interaction (2)
- We touched on many topics during the presentations and working groups. Perhaps a more focused approach could have made sense. For example, one dialogue on legal, policy and regulatory frameworks would add a lot of value. Private sector and financial institutions could be discussed at a later stage.
- Difficult to get into issues, poor planning and groups too large
- Good participation