



The GGSC organization today

-A platform serving players who
commits to legal timber trade and utilization

LUO Xinjian
GGSC Secretariat
www.ggscnet.org

ATIBT Think Tank ,2-3 November 2020



GGSC is a Chinese industry initiative launched at ITTO workshop in Beijing , June 2018

From October 22 to 24, 2019, the International Forum on “Together Towards Global Green Supply Chains – A Forest Products Industry Initiative” Co-organized by CTWPDA, CINFT-NFGA, ITTO, ATIBT was held in Shanghai, China. Representatives from industry sectors, associations, international organizations and research institutions all over the world agreed on a Chinese entrepreneurs' initiative “An Initiative on Jointly Building The Global Green Supply Chain (GGSC) of Forest Products” and jointly promoting the initiative to build a collaboration network of global green supply chain of forest products.



Key issues GGSC has been focusing on

- The Traceability and Transparency in the timber supply chain so as to cleaning up the supply chain :

Block Chain Technology

- Incentive mechanism for players in the wood industry to participate in Traceability and Transparency: a block chain based supply chain finance.

Key Issues



Solutions of key issues we've found.

A blockchain-based timber traceability plus green financial service platform.

A Block Chain tracking system
the players of the wood industry uploading data into the system
An incentives and constraints mechanism for players

Theoretical basis

GGSC is undertaking the ITTO Study of the Blockchain-based International Timber Tracking System for Building Sustainable Wood Supply Chains

ITTO.June 2020-December 2020.

Aims to

apply the blockchain technology with the tropical timber tracking system in the global supply chains of international timber production, processing trade and consumption.

Main outputs

- We developed a conceptual framework for a blockchain based timber tracking system;
- We explored a selection of practical/potential blockchain applications in case countries;

Realistic basis

- Traditionally, Chinese timber importers would adopt the option of purchasing order financing (also called supply chain finance) and mortgage the goods in trade to obtain financial support.
- However, financial institutions often cannot verify the authenticity of the orders or determine the value of the goods, and it is also difficult for them to dispose non-performing assets if there arises bad debt. Therefore, their loan interest could be as high as 10%
- . A Block Chain based timber tracking system will show the legal source of timber along the supply chain, while helping to reduce the pressures of financial institutions in loan due diligence as well as saving labor costs and lowering financial risks.

Conclusion

If **Blockchain-based timber traceability** and **financial loan due diligence** share the same platform, we can reduce illegal logging of timber while lower the loan risk of financial institutions

Stake holders we've investigated

A Block Chain technology development company: JDD

Finance organizations

KfW, China Africa Fund for Industrial Cooperation(CAFIC), Export-import bank of China.

The players of the wood industry

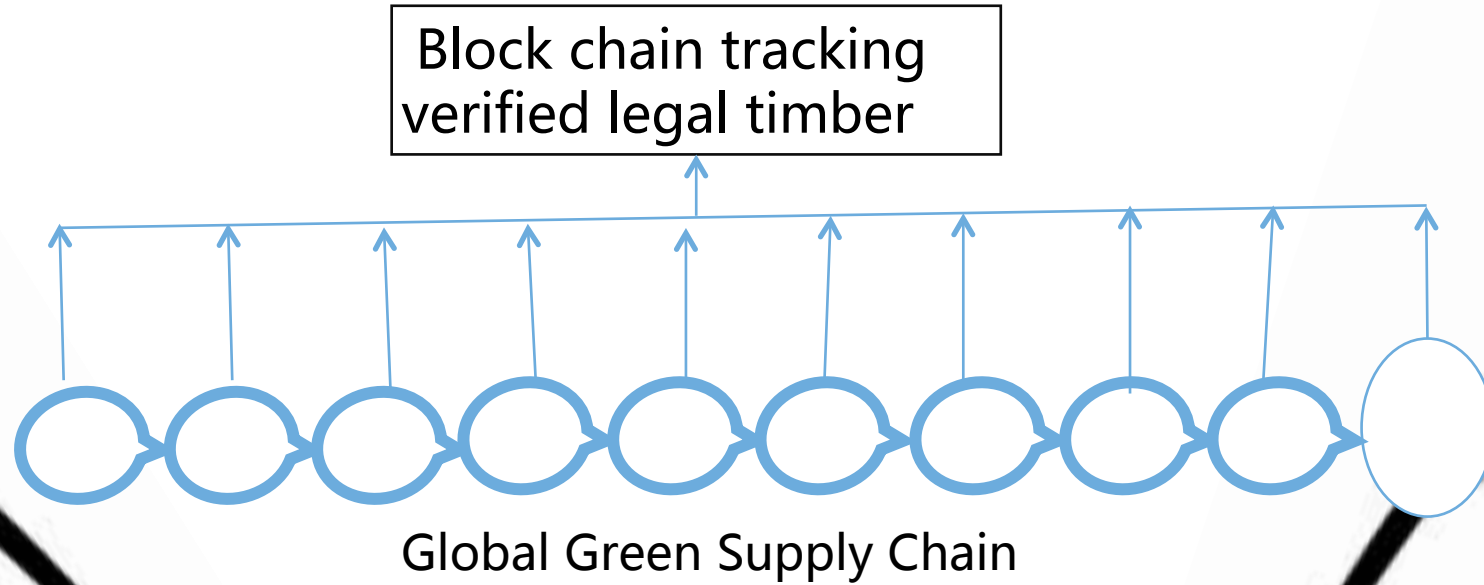
GGSC members enterprise , Shanghai Furen Timber market, real estate procurement platform of CHINA VANKE CO., LTD.

Government Agencies

General Administration of Customs , NFGA ..



Building GGSC platform serving players in the wood industry who commit to legal timber trade and utilization



Green Finance supports from
KfW , CAFIC , EIBC...

More details please refer
to
Dr.Ralph Ridder' s
presentation

Overall strategy, capital,
technology supports from
GSC....



I am what we are _____

Global Green Supply Chain

