Together Towards Global Green Supply Chains
A Forest Products Industry Initiative

Harnessing the role of wood industry sector for climate change and development

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Major exporters/importers of tropical industrial roundwood in 2018

Major exporters/importers of tropical sawnwood in 2018
Major exporters/importers of trop. Plywood in 2018

Major exporters/importers of wooden furniture in 2018
Africa: hungry for food, fuel, fiber and wood

Global population by region

2017

Global population 7.55 billion

Asia 4 504 million (59.66%)
Europe 742 million (9.83%)
North America 361 million (4.78 %)
Africa 1 256 million (16.64%)
Latin America /Caribbean 646 million (8.55%)
Oceania 41 million (0.54 %)

2100 (projected)

Global population 11.18 billion

Asia 4 780 million (42.74%)
Europe 653 million (5.84%)
North America 499 million (4.46%)
Africa 4 468 million (39.95%)
Latin America /Caribbean 712 million (6.37%)
Oceania 72 million (0.64 %)

Grafik: Deutsche Stiftung Weltbevölkerung (DSW)
Quelle: Vereinte Nationen, World Population Prospects: The 2017 Revision
Tropical forests are a net release of carbon of 425.2 ± 92.0 Tg C yr⁻¹ (losses of 861.7 ± 80.2 Tg C yr⁻¹ and gains of 436.5 ± 31.0 Tg C yr⁻¹ from forest growth)

Losses result from (i) deforestation and (ii) reductions in carbon density within standing forests (degradation) accounting for 68.9% of overall losses
Increasing global wood demand
Emerging supply gaps in the tropics

Demand in woodfuel and charcoal continues to increase
- 2.8 billion people will depend on traditional fuels in 2030
- Massive increase in demand for energy wood in industrialized countries

Projected gap for industrial roundwood

IFC/Dieterle et al. 2015
Mitigation potential of Green Growth/Bio-economy Scenario

- Six Case Countries -

**Note:** HWP = harvested wood products; t CO2 e = tons of carbon dioxide equivalent.
Strong underpinning of the role of productive forests and the mandate of ITTO

Chapter B5-4
Sustainable forest management can
• maintain or enhance forest carbon stocks, and can
• maintain forest carbon sinks, including by transferring carbon to wood products, thus addressing the issue of sink saturation (high confidence).

• Where wood carbon is transferred to harvested wood products, these can store carbon over the long-term and can substitute for emissions-intensive materials reducing emissions in other sectors (high confidence).

• Where biomass is used for energy, e.g., as a mitigation strategy, the carbon is released back into the atmosphere more quickly (high confidence)
Climate contribution of productive forests

Potential gains from forests: 8GtCO2/year ~15% of 2018 mitigation gap
## Multiple wins from LSSC, forest conservation and forest restoration vs. Cost of inaction

### Benefits
- Multiple SDGs
- Economic growth
- Poverty reduction
- “Wood security”
- Substantial Climate Benefits (up to 8Gt/y)
- Increased environmental/biodiversity benefits
- Global water regime: *Rivers in the Sky*

### Cost of inaction
- Reduced export earnings
- Increased poverty/loss of jobs
- Increased use of non-renewable materials/energy
- Increased CO2 emissions from degradation and loss of forest
- Loss of biodiversity and PAs
- Risk of conflict
Enhancing the Role of Productive Forests

The mandate of ITTO

Promote Legal & sustainable supply chains

Enhance tropical timber supply chains to achieve sustainability and meet market requirements to give end users assurance that products are from legal and sustainable sources.

Invest in Landscape Restoration & Resilient Livelihoods

Contribute to scaling up the area of forest landscape restoration, and increasing the provision of goods and services from planted and restored forests.

Enhance Biodiversity in Productive Forests

Strengthen the capacity of tropical timber-producing countries to optimize the contribution of productive forests to the conservation of biodiversity while maintaining the sustainable production of timber and other products.

Capacity Building / Education / Technical Training / Comms. / Governance / Data Collection
Ingredients for Legal and Sustainable Supply Chains and good Forest Governance

<table>
<thead>
<tr>
<th>Incentives and Finance</th>
<th>Access to Information &amp; Data</th>
<th>Rule of Law/ Rights/Justice</th>
<th>Human Capacity</th>
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<tbody>
<tr>
<td>• Financial Incentives (e.g., soft loans and grants, taxes, access to finance)</td>
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<td>• Administrative Incentives (e.g., extended permitting, favourable thresholds for obligations)</td>
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<td>• Reputational Incentives (e.g., voluntary certification, voluntary disclosure, natural capital accounting)</td>
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<td>• Remote sensing</td>
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<td>• Mapping</td>
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<td>• Planning tools</td>
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<td>• Information management systems</td>
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<td>• Timber tracking</td>
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<td>• DNA fingerprinting</td>
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<td>• International Data networks</td>
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<td>• Verification/ Certification systems</td>
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<td>• Market data</td>
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<td>• Law enforcement (FLEG)</td>
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<td>• Eliminating corruption &amp; informality</td>
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<td>• Access to resources</td>
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<td>• Land rights</td>
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<td>• Gender equity</td>
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<td>• International rules (CITES)</td>
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<td>• Fair “rules of the game”</td>
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<td>• Education</td>
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<td>• Security</td>
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Information and capacity building for Green Supply Chains

International and National Legality and Sustainability Frameworks
SDGs, UNSPF, National Policies, Intl. Agreements, Proofs of Legality (Certification Schemes, Timber Tracking Systems, DNA Fingerprinting, ……..)

Demand for legal and sustainable products
<table>
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<th>IPC/UNFF</th>
<th>• Role of productive forests for climate change and development now recognized by IPPC and UNFCCC</th>
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<tr>
<td>Investments</td>
<td>• Saving productive functions of tropical forests requires <strong>massive investments</strong> in restoration, sustainable management and protection of biodiversity</td>
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<td>LSSC</td>
<td>• Legal and sustainable supply chains are essential to harness the full potential of productive forests for climate and development: <strong>domestically and internationally</strong></td>
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<td>Incentives</td>
<td>• The risk of inaction is high: without <strong>macroeconomic and other incentives</strong> for SFM and LSSC cannot compete against other land uses</td>
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<td>Rules of the Game</td>
<td>• International trade with timber and other forest products would benefit from harmonized rules of the game</td>
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<td>Capacity Building</td>
<td>• Substantial funds are needed to build capacities for building “green” supply chains: <strong>from the forest to the market</strong></td>
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<td>GGSC Platform</td>
<td>• <strong>Connecting producers, processors and consumers for exchange of information, business-to-business</strong></td>
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http://www.youtube.com/user/ittosfm
@itto_sfm
itto_sfm
International Tropical Timber Organization

Thank you very much!
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