



# Together Towards Global Green Supply Chains A Forest Products Industry Initiative

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

Gerhard Dieterle, ITTO Executive Director

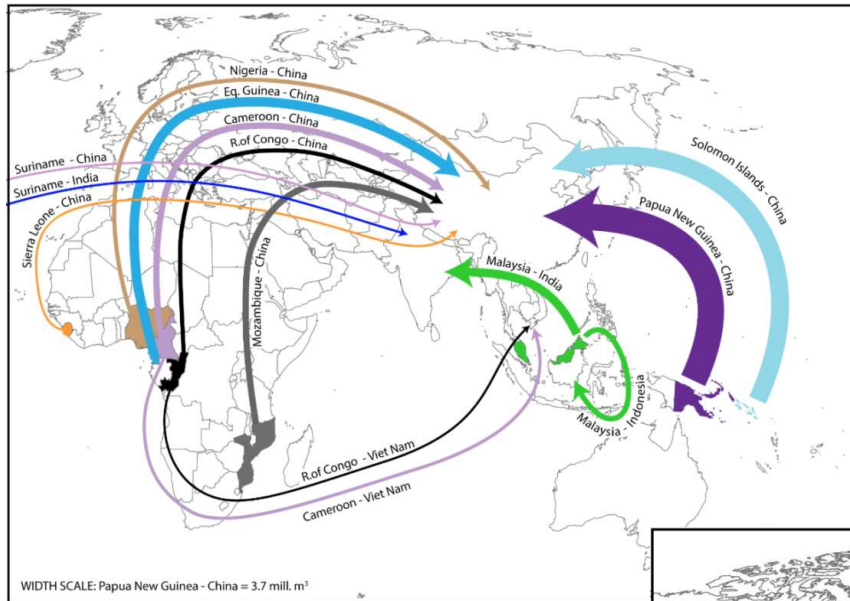
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International Forum Shanghai

October 16, 2019

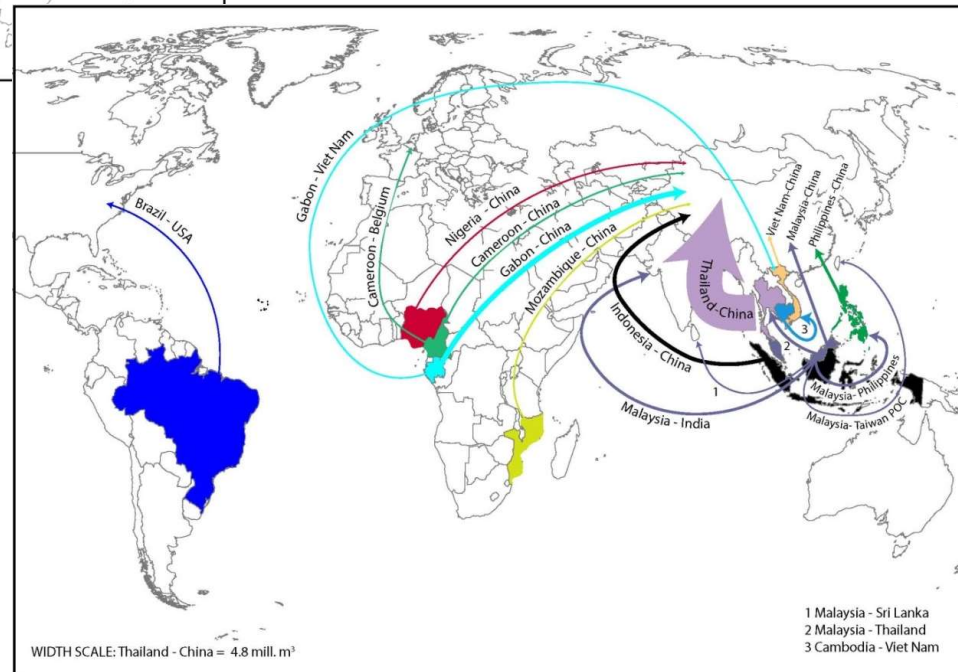


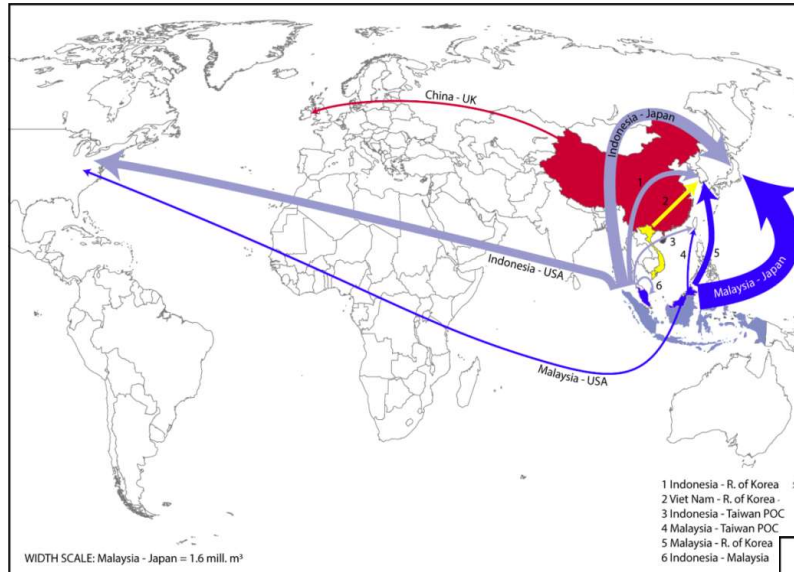
INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)



## Major exporters/importers of tropical industrial roundwood in 2018

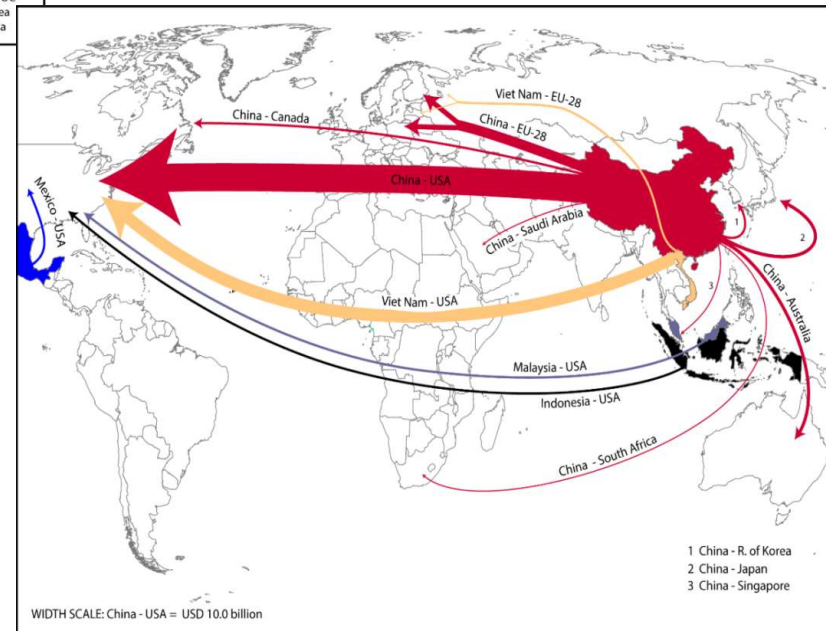
## Major exporters/importers of tropical sawnwood in 2018





## Major exporters/importers of trop. Plywood in 2018

## Major exporters/importers of wooden furniture in 2018

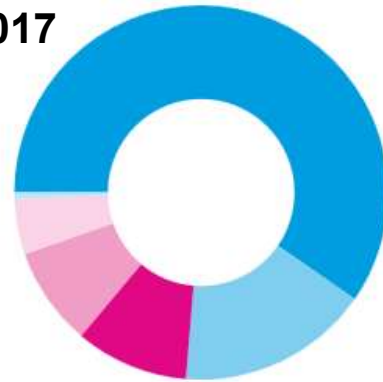


# Africa: hungry for food, fuel, fiber and wood



## Global population by region

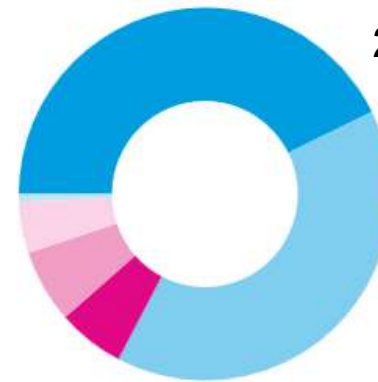
2017



Global population  
7.55 billion

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

2100 (projected)



Global population  
11.18 billion

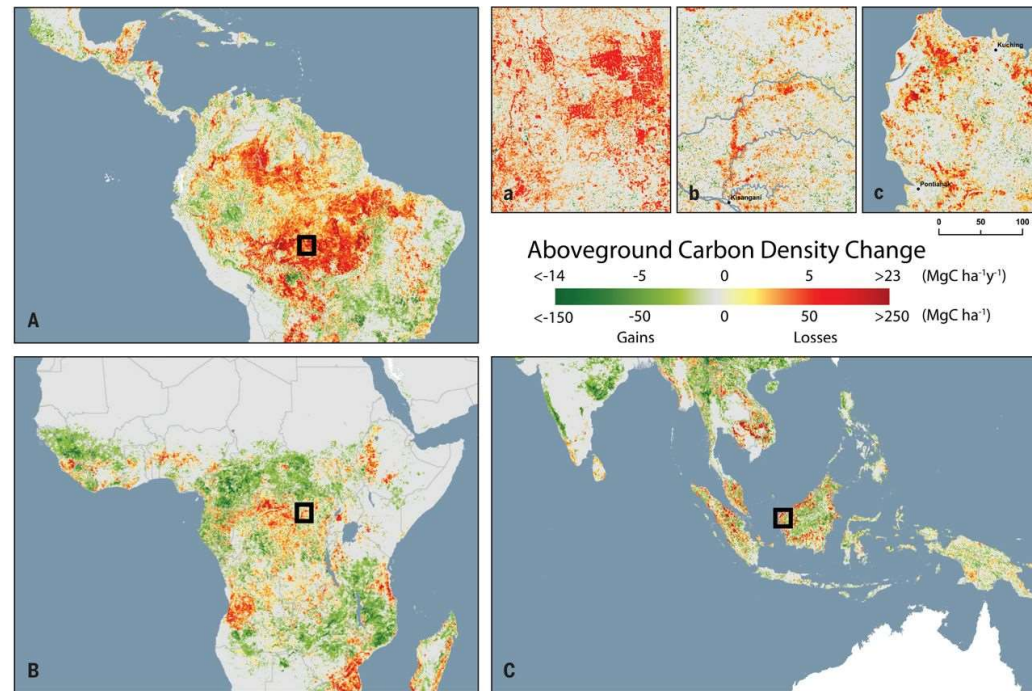
■ Asia 4 780 million (42.74%)	■ Africa <b>4 468 million (39.95%)</b>
■ Europe 653 million (5.84%)	■ Latin America /Caribbean 712 million (6.37%)
■ North America 499 million (4.46%)	■ Oceania 72 million (0.64 %)

Grafik: Deutsche Stiftung Weltbevölkerung (DSW)  
Quelle: Vereinte Nationen, World Population Prospects: The 2017 Revision

# Tropical forest degradation: geography of carbon density change



- Tropical forests are a **net release of carbon of  $425.2 \pm 92.0 \text{ Tg C yr}^{-1}$**  (losses of  $861.7 \pm 80.2 \text{ Tg C yr}^{-1}$  and gains of  $436.5 \pm 31.0 \text{ Tg C yr}^{-1}$  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



A. Baccini et al. Science 2017;science.aam5962

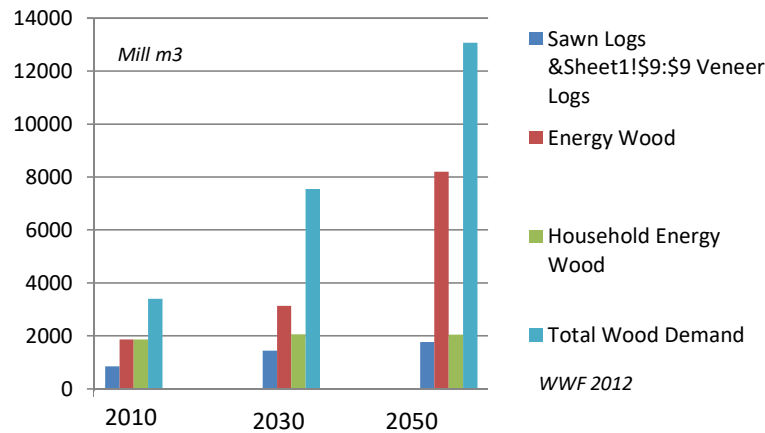


# Increasing global wood demand

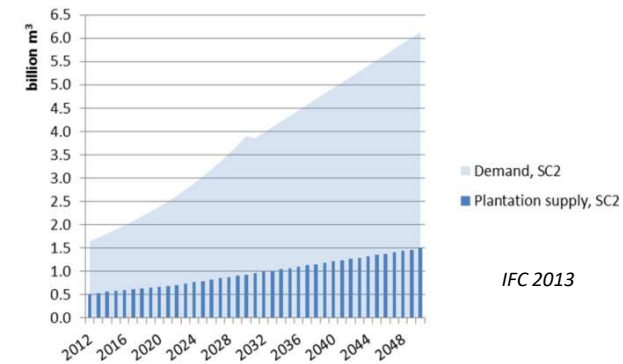
## Emerging supply gaps in the tropics



### Increasing global demand for wood

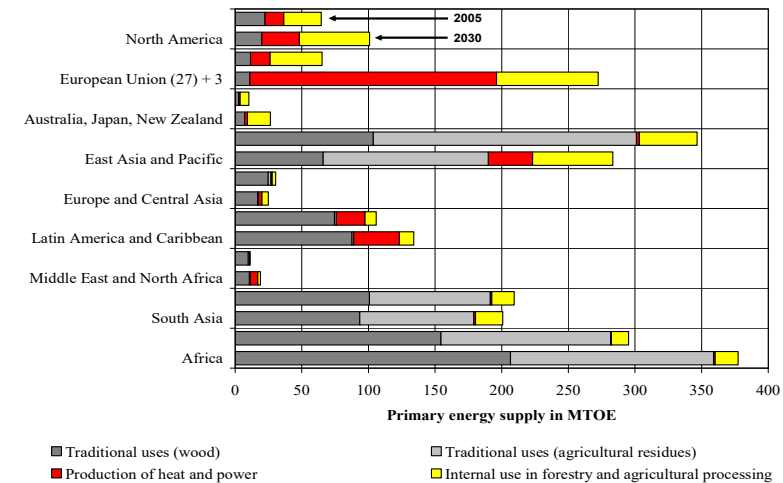


### Projected gap for industrial roundwood



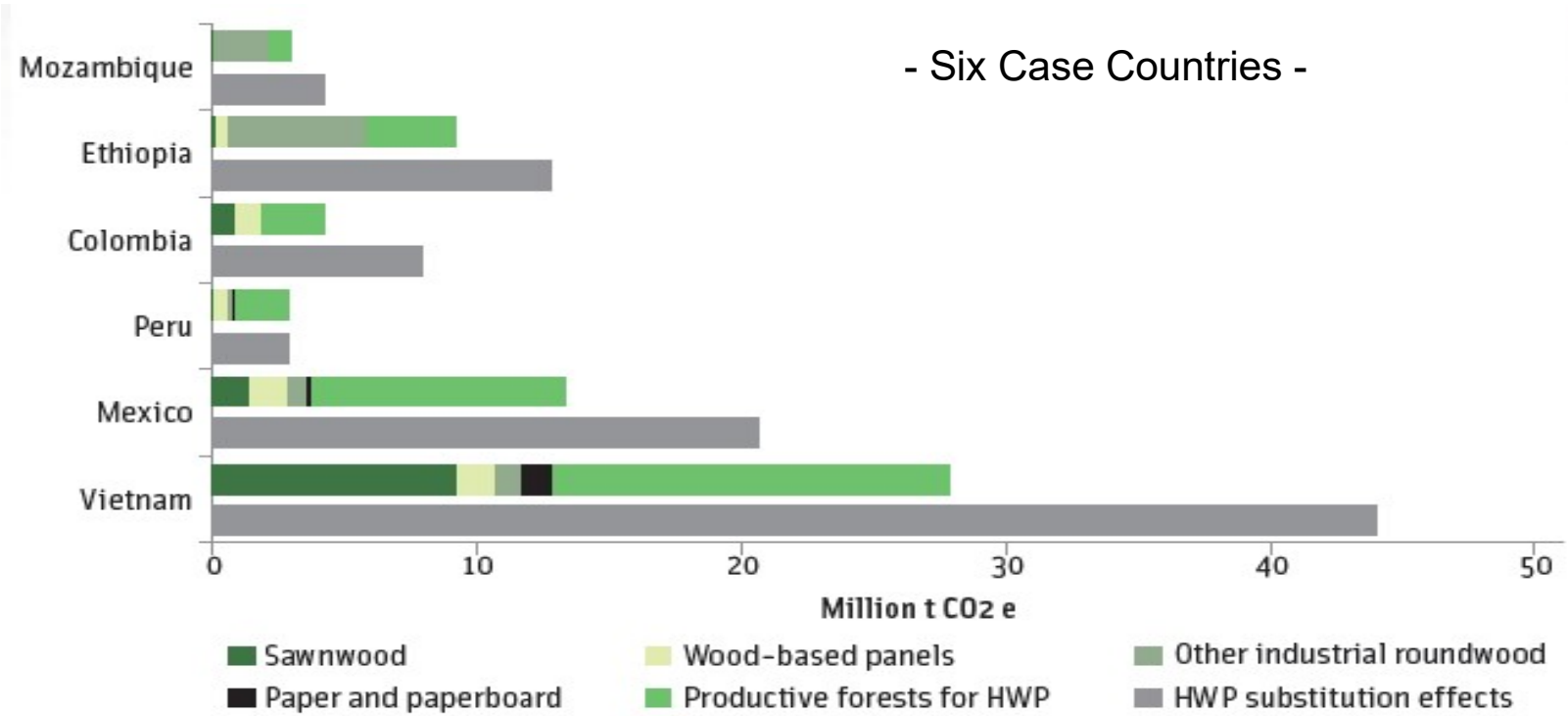
### Demand in woodfuel and charcoal continues to increase

- 2.8 billion people will depend on traditional fuels in 2030
- Massive increase in demand for energy wood in industrialized countries



IFC/Dieterle et al. 2015

# Mitigation potential of Green Growth/Bio-economy Scenario



Note: HWP = harvested wood products; t CO<sub>2</sub> e = tons of carbon dioxide equivalent.

# IPPC SR on Climate Change and Land

## August 2019



## 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)

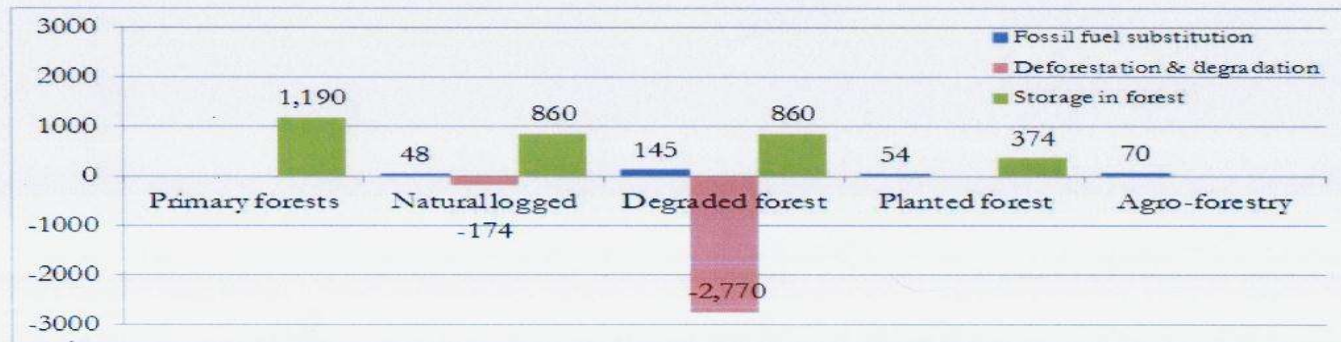


# Climate contribution of productive forests

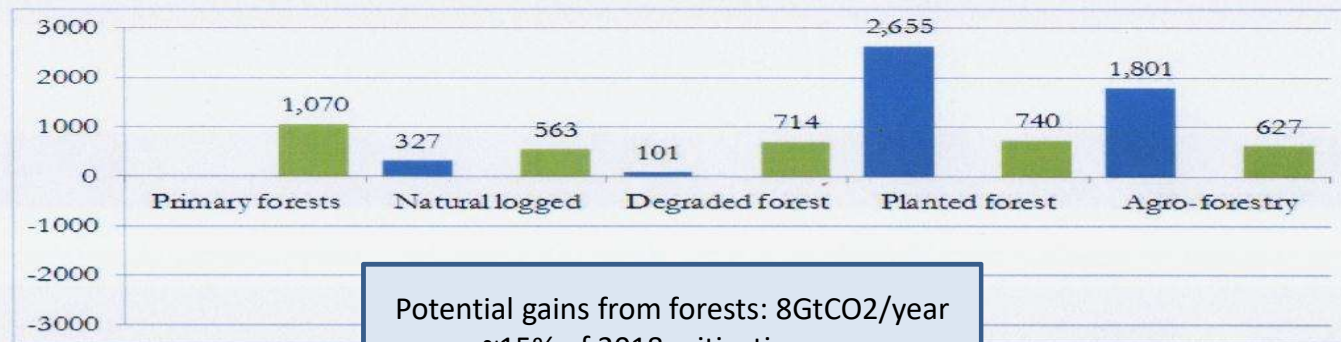


*Fossil Fuel Substitution, Deforestation and Degradation, and Forest Carbon Storage in 2010 and 2050  
(million tons carbon per year)*

2010



2050



Potential gains from forests: 8GtCO<sub>2</sub>/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

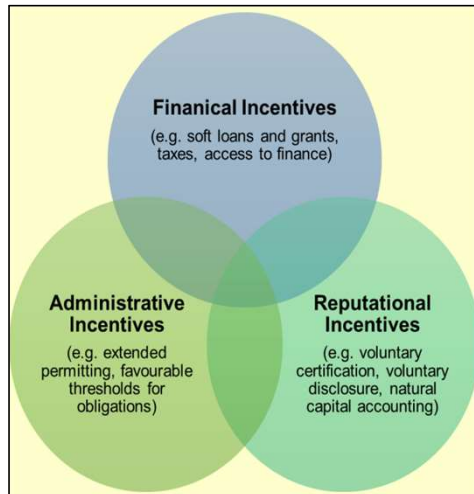
Strengthen the capacity of tropical timber-producing countries to optimize the contribution of productive forests to the conservation of biodiversity while maintaining the sustainable production of timber and other products.

Capacity Building / Education / Technical Training / Comms. / Governance / Data Collection

# Ingredients for Legal and Sustainable Supply Chains and good Forest Governance



## Incentives and Finance



## Access to Information & Data

- Remote sensing
- Mapping
- Planning tools
- Information management systems
- Timber tracking
- DNA finger printing
- International Data networks
- Verification/ Certification systems
- Market data

## Rule of Law/ Rights/Justice

- Law enforcement (FLEG)
- Eliminating corruption & informality
- Access to resources
- Land rights
- Gender equity
- International rules (CITES)
- Fair “rules of the game”

## Human Capacity

- Education
- Training
- Knowledge
- Infrastructure
- Income
- Health
- Security

# 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, .....)

**Proposed Green Supply Chain Platform (GGSC)**

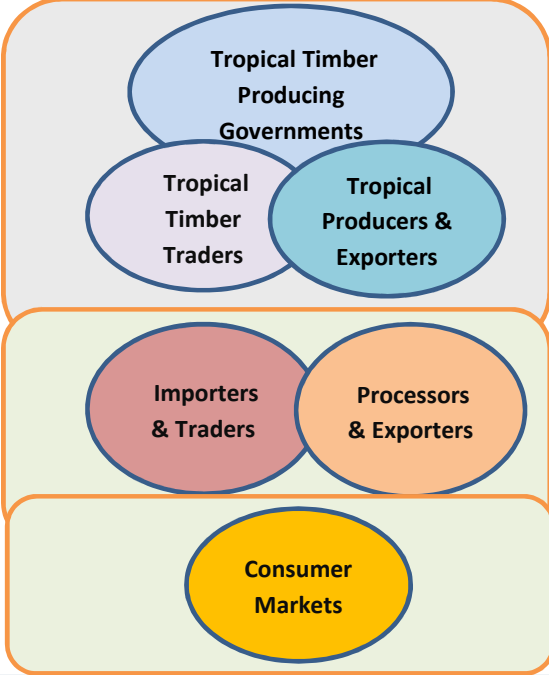
Policy & Regulatory & Institutional Frameworks, Capacity Building, Analysis, ....

Market Information, Guidelines, Capacity, Building & Training Field Projects, Access to Markets ....

Data Base, Intl. Connectivity, Expert Advice, Market Monitoring, Capacity Building & Training ....

Market Information, Intl. Outreach Capacity Building, Networks ....

Analysis, Information, Monitoring ...



**National, Regional and International Markets;**  
**Consumers ; Advocacy Groups .....**



**Demand for legal and sustainable products**



consumers ; advocacy groups .....

# Main messages



<b>IPPC/UNFF</b>	<ul style="list-style-type: none"><li>• Role of productive forests for climate change and development now recognized by IPPC and UNFCCC</li></ul>
<b>Investments</b>	<ul style="list-style-type: none"><li>• Saving productive functions of tropical forests requires <b>massive investments</b> in restoration, sustainable management and protection of biodiversity</li></ul>
<b>LSSC</b>	<ul style="list-style-type: none"><li>• Legal and sustainable supply chains are essential to harness the full potential of productive forests for climate and development: <b>domestically and internationally</b></li></ul>
<b>Incentives</b>	<ul style="list-style-type: none"><li>• The risk of inaction is high: without <b>macroeconomic and other incentives</b> for SFM and LSSC cannot compete against other land uses</li></ul>
<b>Rules of the Game</b>	<ul style="list-style-type: none"><li>• International trade with timber and other forest products would benefit from harmonized rules of the game</li></ul>
<b>Capacity Building</b>	<ul style="list-style-type: none"><li>• Substantial funds are needed to build capacities for building “green” supply chains: <b>from the forest to the market</b></li></ul>
<b>GGSC Platform</b>	<ul style="list-style-type: none"><li>• <b>Connecting producers, processors and consumers for exchange of information, business-to-business</b></li></ul>



<http://www.youtube.com/user/ittosfm>



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International Tropical Timber Organization



[www.itto.int](http://www.itto.int)

Thank you very much!

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