



National Fiscal Incentives and Public Procurement Policies to promote SFM in Tropical Forests

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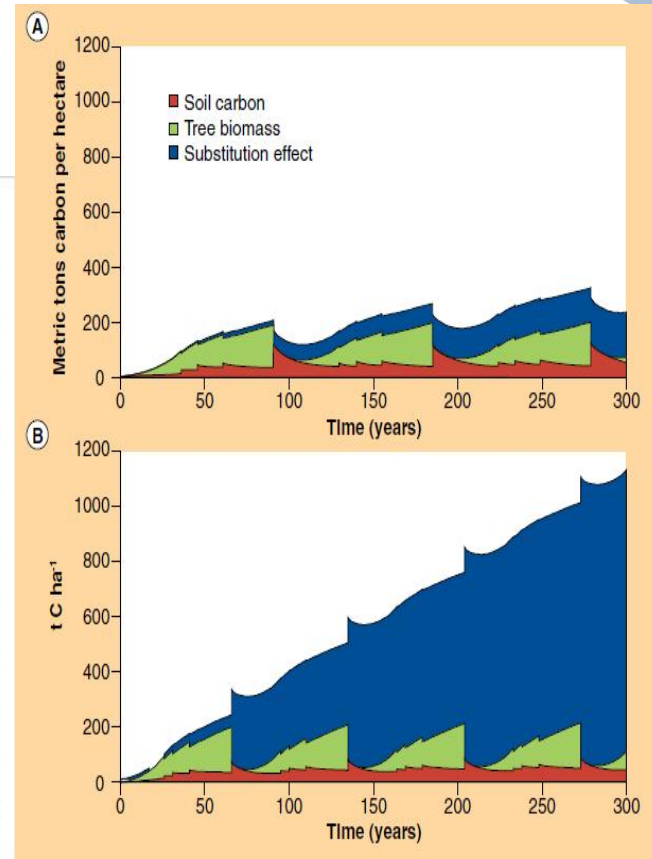
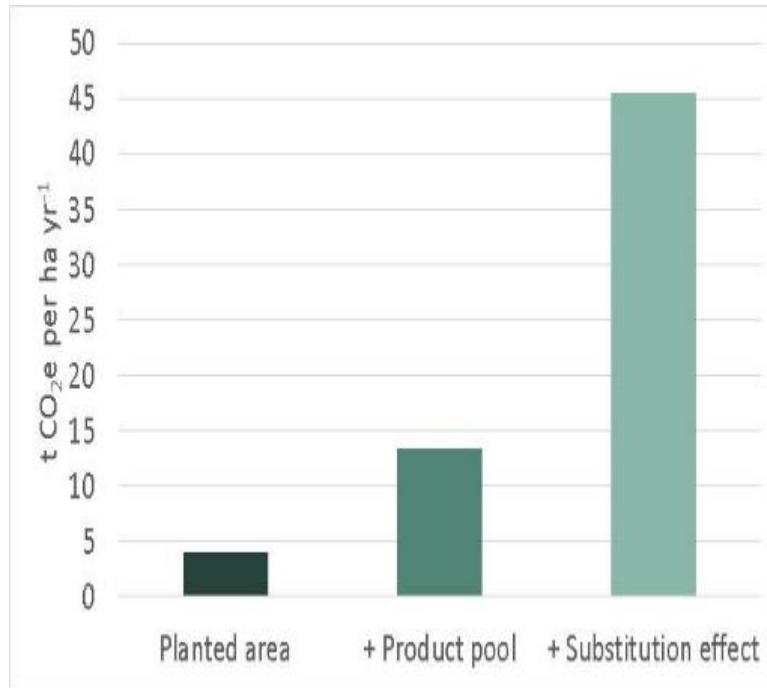
INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)

Key Messages

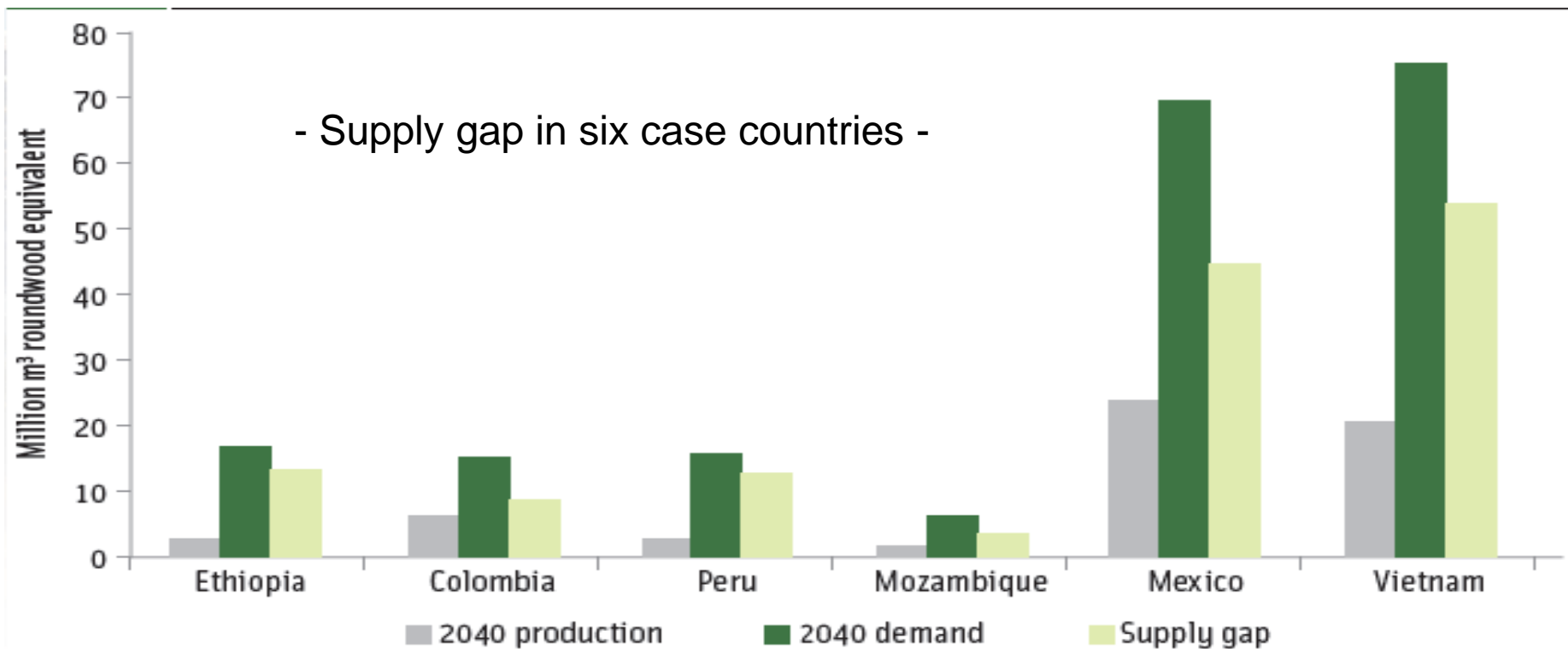


- Productive forests are essential for fulfilling basic needs of growing populations and providing global, national and local services
- Emerging supply deficit in developing countries might lead to increased deforestation/degradation or use of non-renewable materials
- Productive forests have a huge potential for development, green growth, climate change mitigation/adaptation
- Substitution of non-renewable materials is an additional key benefit of productive forests and therefore to achieve REDD+

Mitigation Benefits of Forestry Value Chain

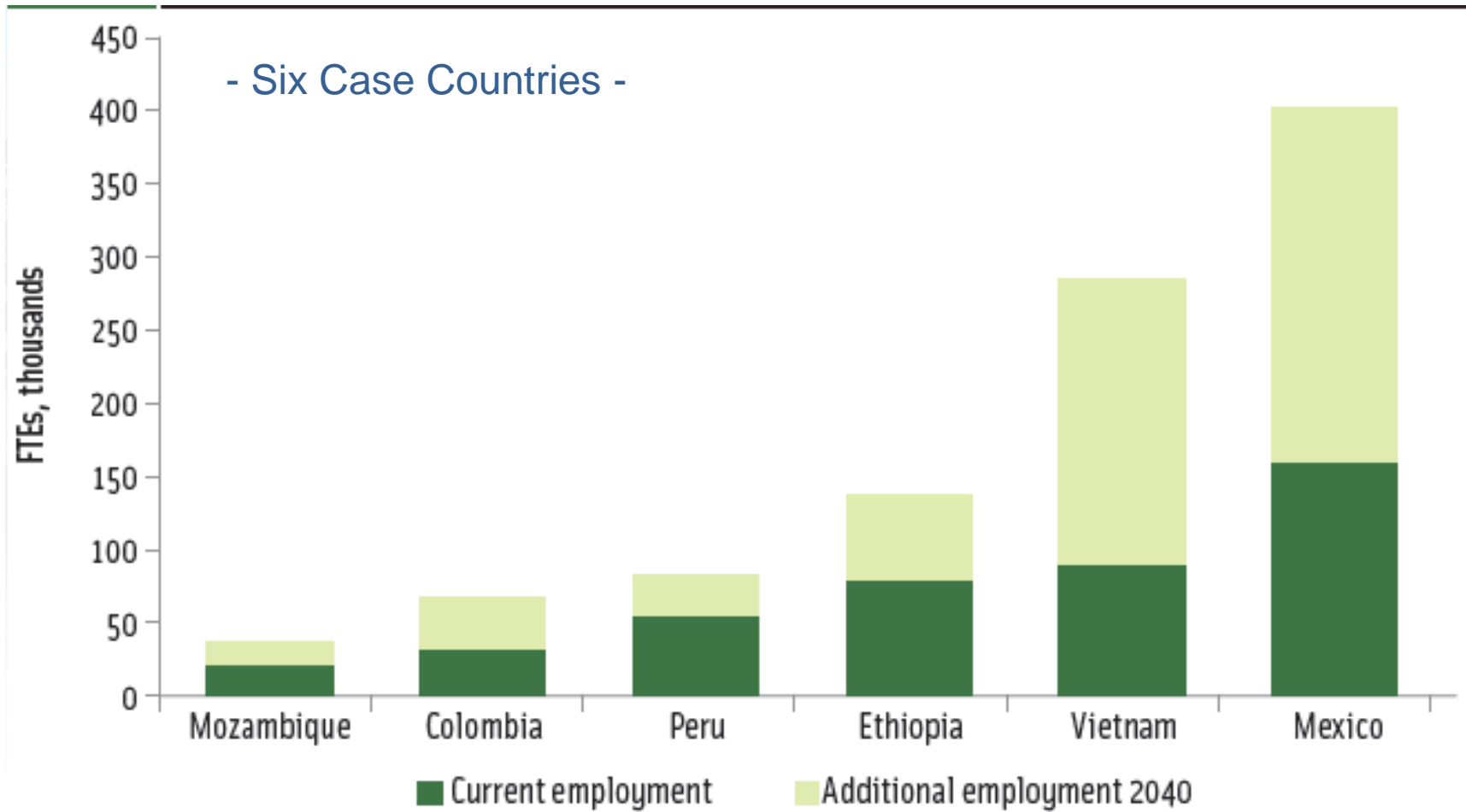


Projected HWP Supply Gap in 2040 under current conditions



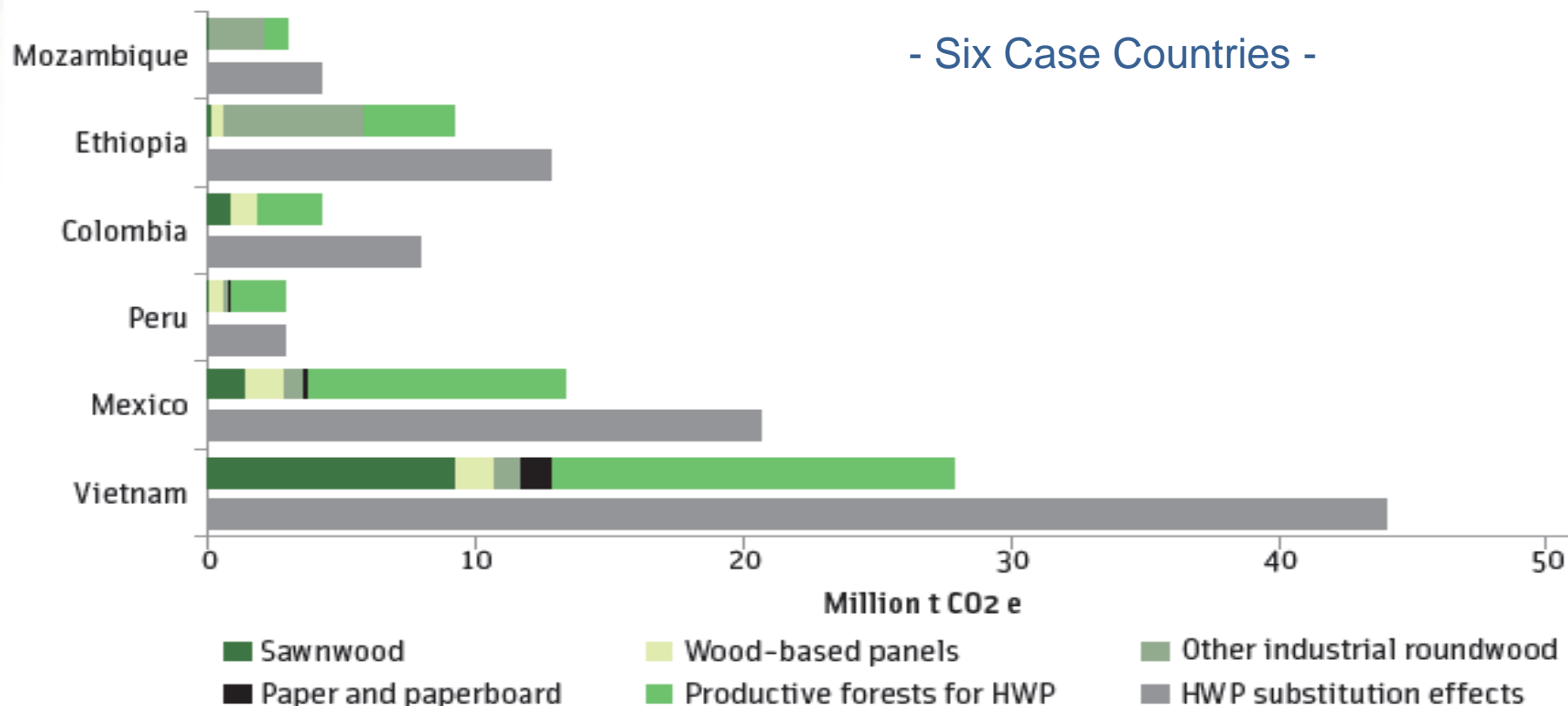
Note: HWP = harvested wood products; m = meter.

Employment Benefits of the Green Growth Scenario



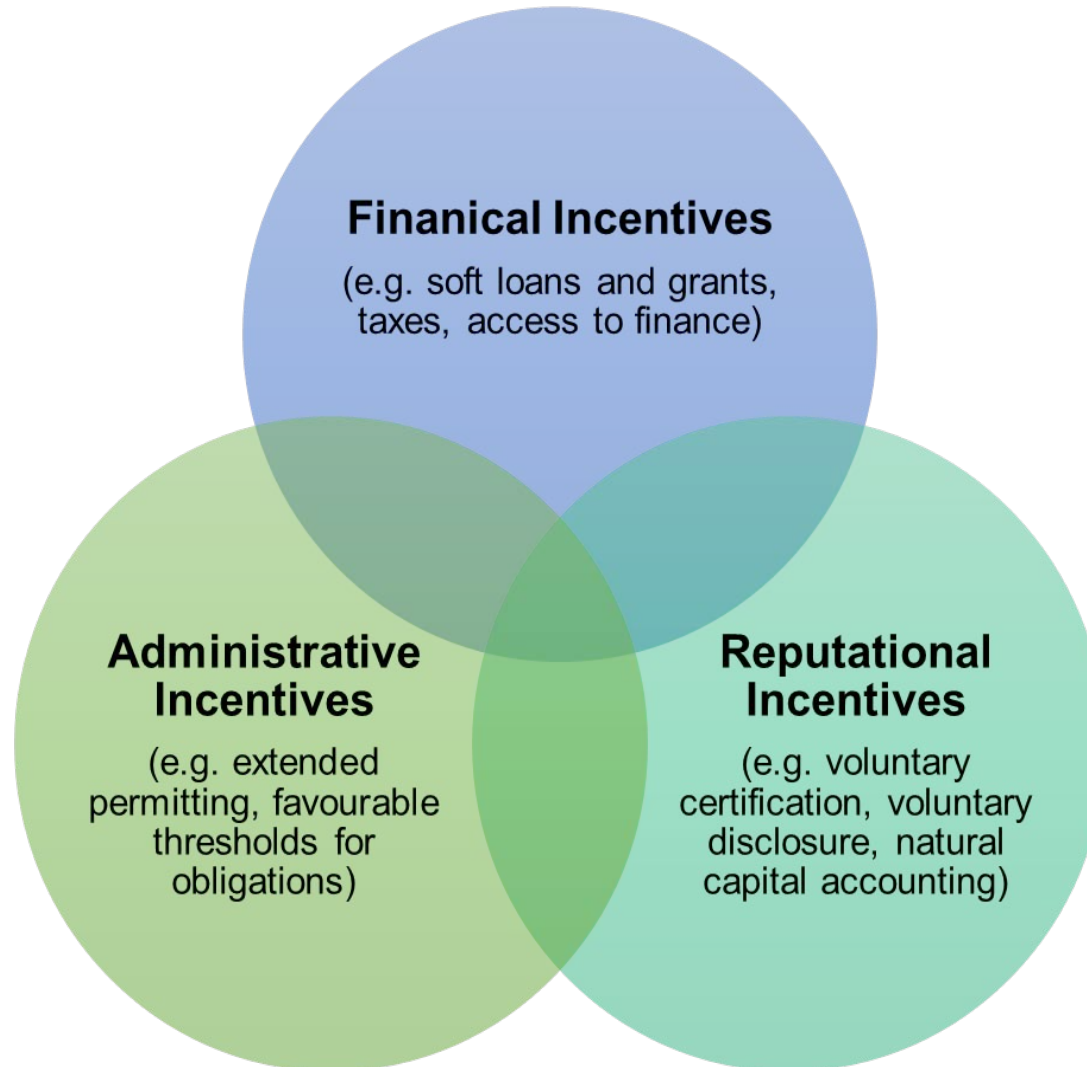
Note: FTEs = full-time equivalent workers.

Mitigation Potential of the Green Growth Scenario



Note: HWP = harvested wood products; t CO₂ e = tons of carbon dioxide equivalent.

Different forms of incentive mechanisms in the policy mix

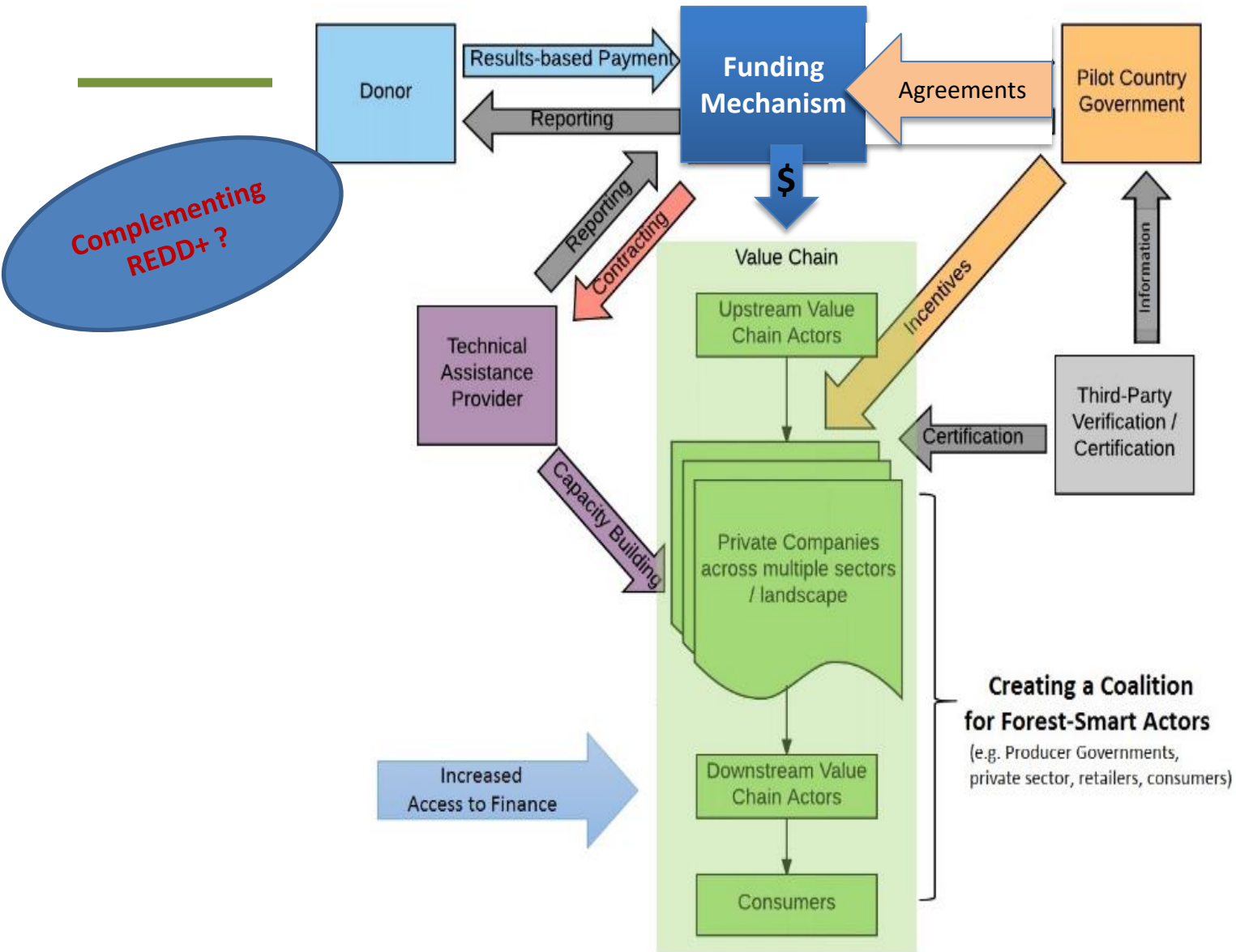


Key outcomes of successful Incentive Mechanism



- In line with international non-discriminatory trade rules
- Promote development , green growth, climate, good governance....
- Promoting pro-activity of private sector on a voluntary basis; contains competitive element
- Incentives outweigh comparative advantage of “traditional” business and help to integrate informal businesses into the formal economy;
- Create level playing field: No need for price premium for covering additional costs for sustainable production and certification
- Third party verification assures integrity and transparency of the process and reduces M&R burdens for governments and private sector;
- Reduced corruption and improved governance of natural resources
- Incentive system creates lasting structures as opposed to temporary carbon payments; carbon is a co-benefit rather than the main benefit
- Technical assistance to companies is an additional benefit which ensures integrity and quality of the process

Financial Incentive Mechanism towards deforestation-free commodity value chains



How ITTO can assist



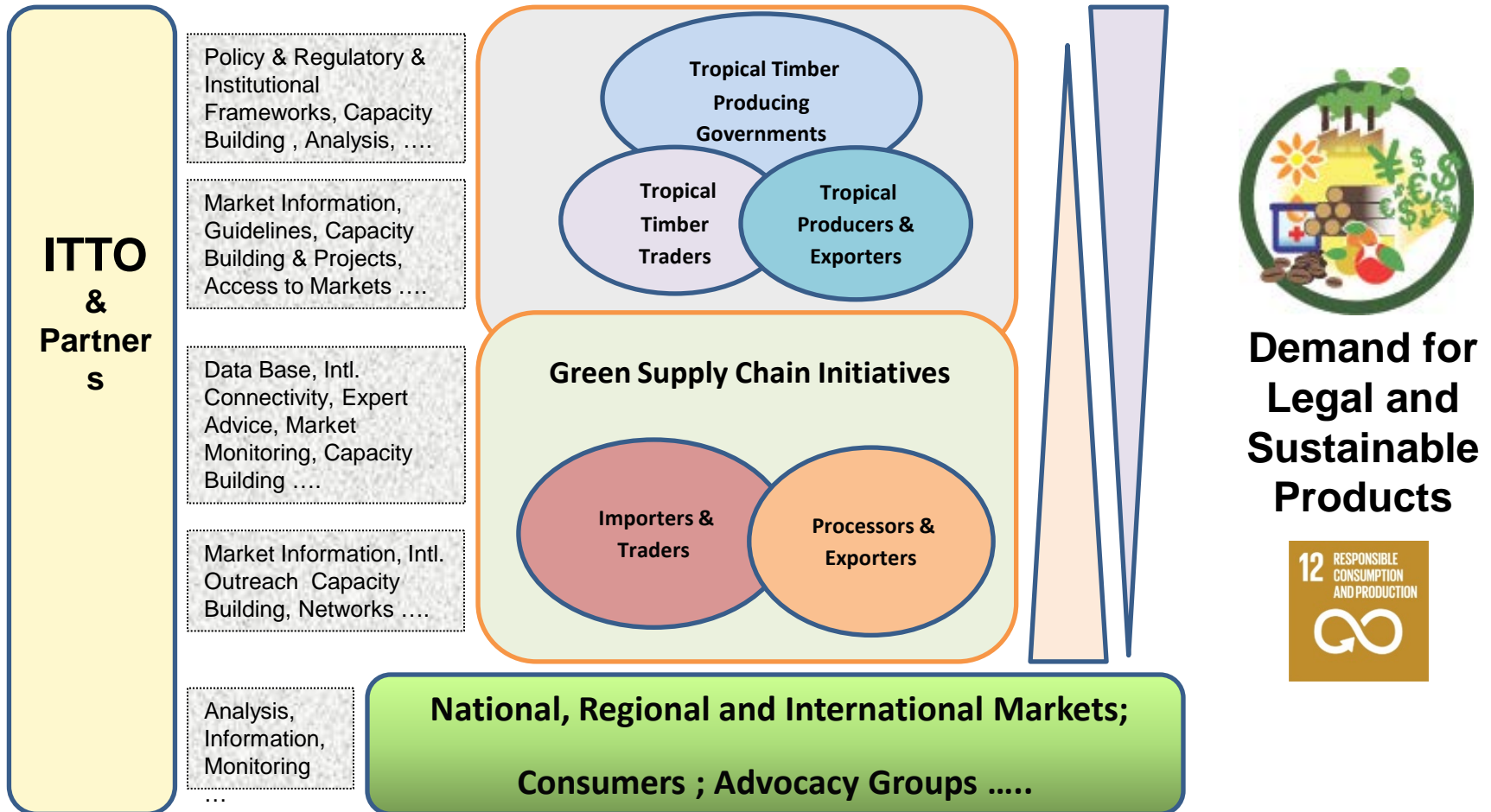
- Building platform for green supply chain mechanism: connect producers and consumers; Analytical work on incentive mechanisms and advice to governments
- Policy and best practice guidelines
- Capacity building in Governance: *best practices in FLE training on tracking, certification; involvement of Civil Society,*
- Human resources development, training and education
- Improve data and knowledge: *Satellite imagery, trade studies, market information*
- Forest Statistics: *Global production and trade of timber; prices of products; traded species*
- Stakeholder involvement: *forest tenure, management, production processing and trade*



Green supply chains and the role of ITTO

International and National Legality and Sustainability Frameworks

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





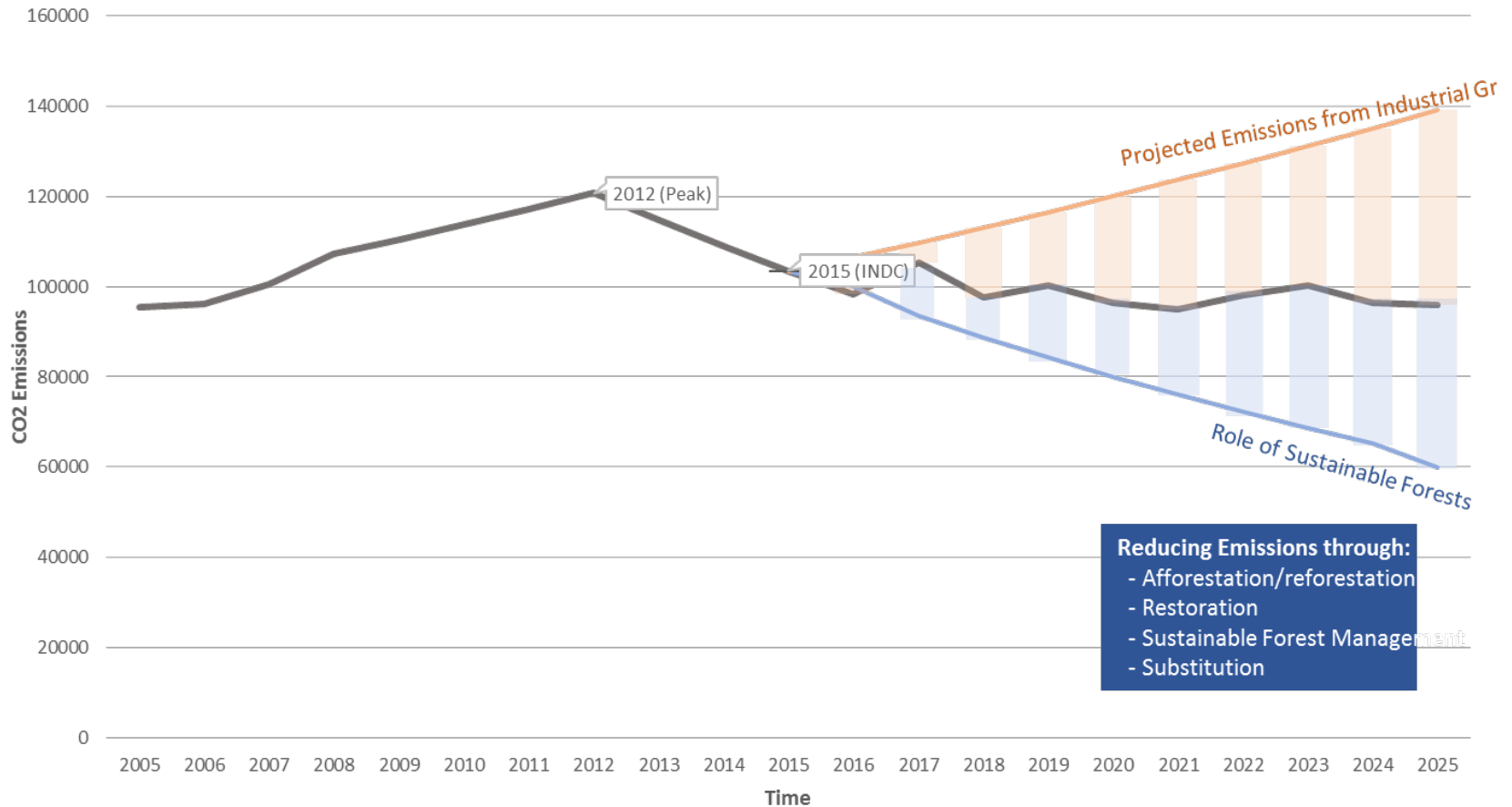
Thank You!

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Potential of Forests for Achieving NDCs

- Schematic View for Green Growth Scenario -



Business Cycle for Woodfuels

- Schematic View -

