Developing sustainable forests and forest industries sectors in Africa for domestic and international trade

- The Case for Green Supply Chains -
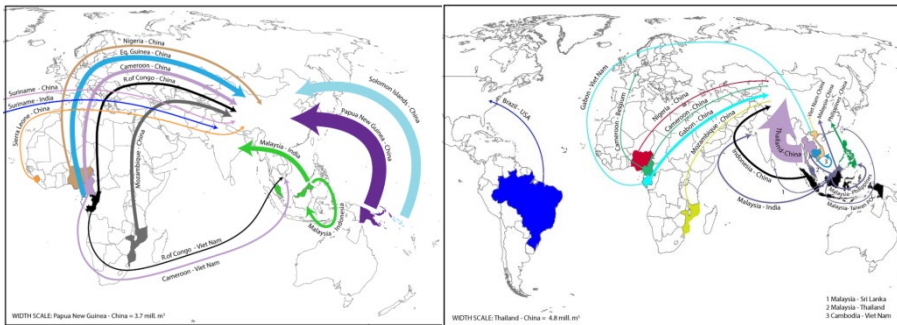
Gerhard Dieterle
Executive Director

International Tropical Timber Council
(ITTC 55th session)
Markets and Trade Day
Lomé. Togo, December 2, 2019
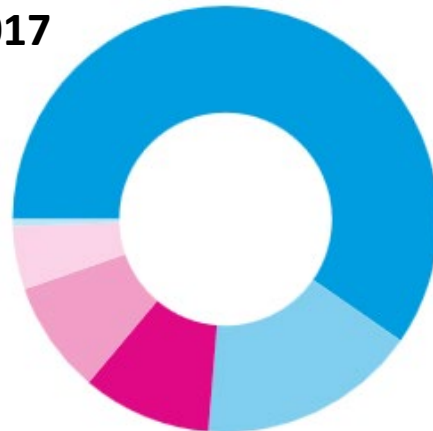
INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)

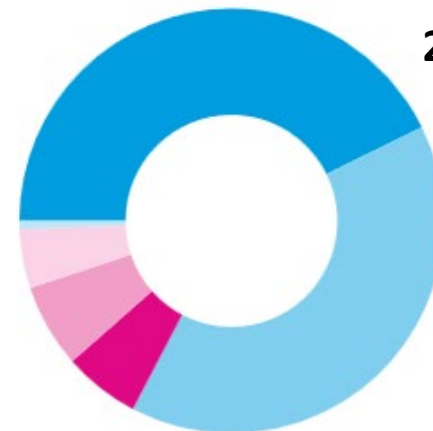# Africa: hungry for food, fuel, fiber and wood

Global population by region

2017

2100 (projected)

**Global population
7.55 billion**

**Global population
11.18 billion**

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

■ Asia 4 780 million (42.74%)	■ Africa **4 468 million (39.95%)**	
■ 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

Increasing global wood demand

Increasing global demand for wood

Mill m3

Legend:
- Sawn Logs &Sheet1!$9:$9 Veneer Logs
- Energy Wood
- Household Energy Wood
- Total Wood Demand

WWF 2012
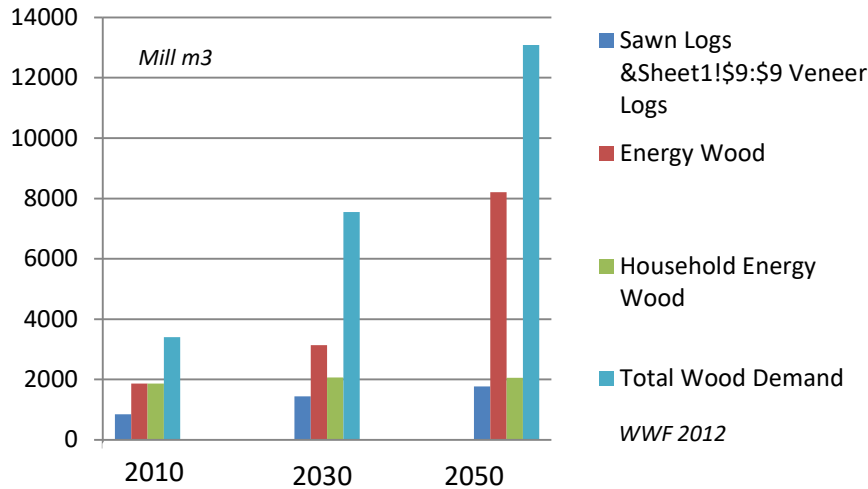
Increasing Gap for Industrial Roundwood

IFC 2013
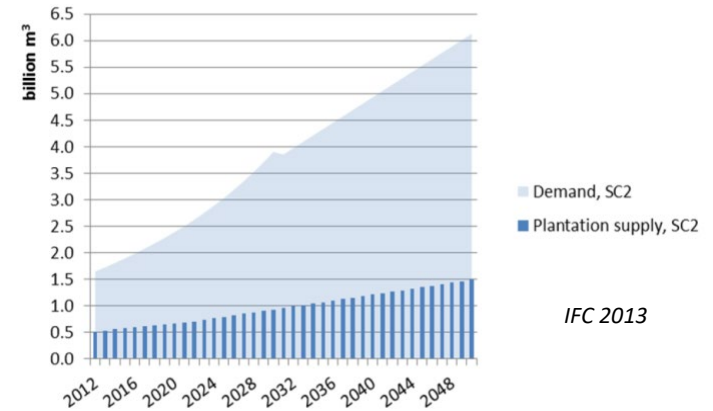
Demand in woodfuel and charcoal continues to increase

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

Primary energy supply in MTOE

Legend:
- Traditional uses (wood)
- Production of heat and power
- Traditional uses (agricultural residues)
- Internal use in forestry and agricultural processing

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IFC/Dieterle et al. 2015
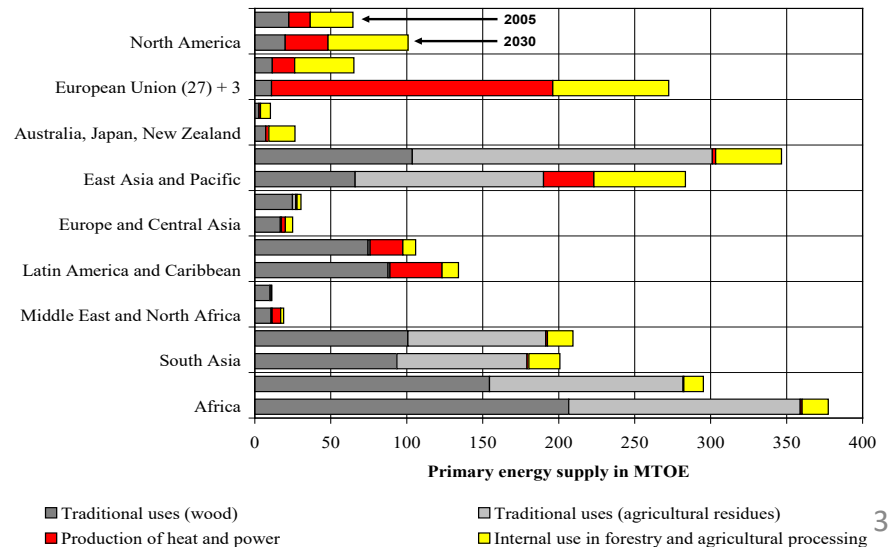
Tropical forest degradation: geography of carbon density change

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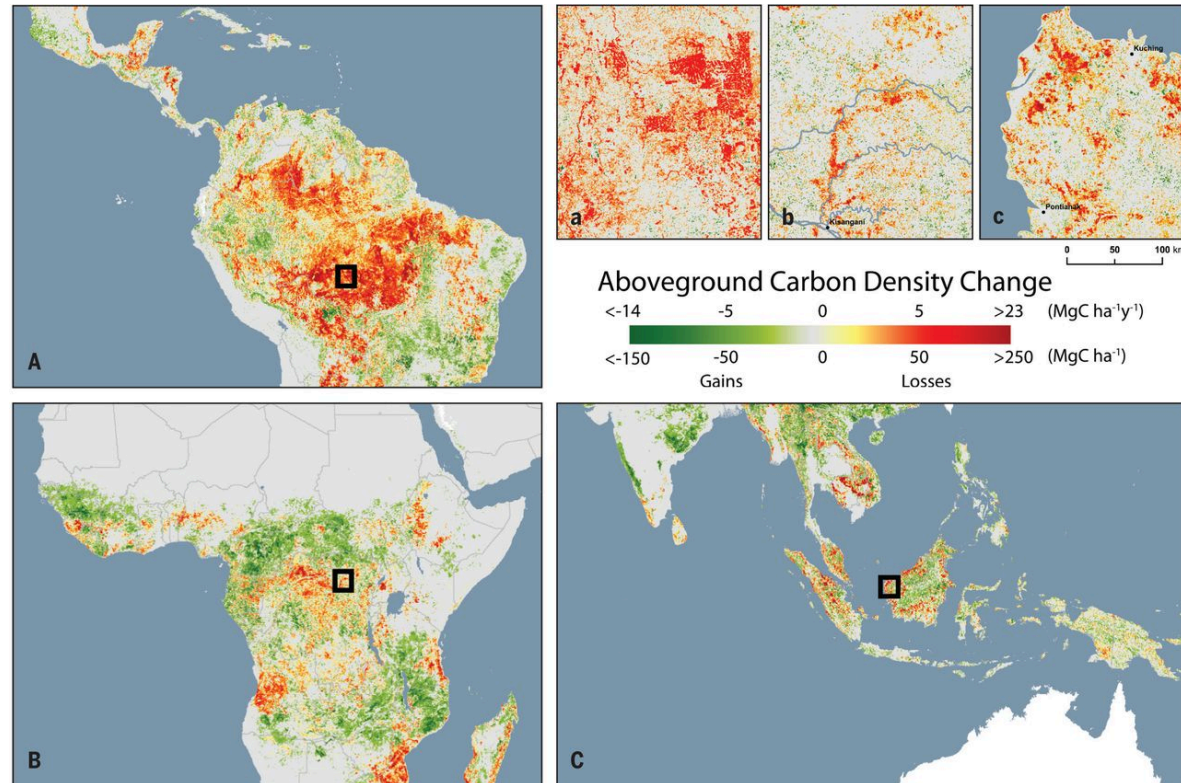
A. Baccini et al. Science 2017;science.aam5962

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Employment benefits of the Green Growth Scenario

- Six Case Countries -

FTEs, thousands

Mozambique · Colombia · Peru · Ethiopia · Vietnam · Mexico

■ Current employment   ■ Additional employment 2040
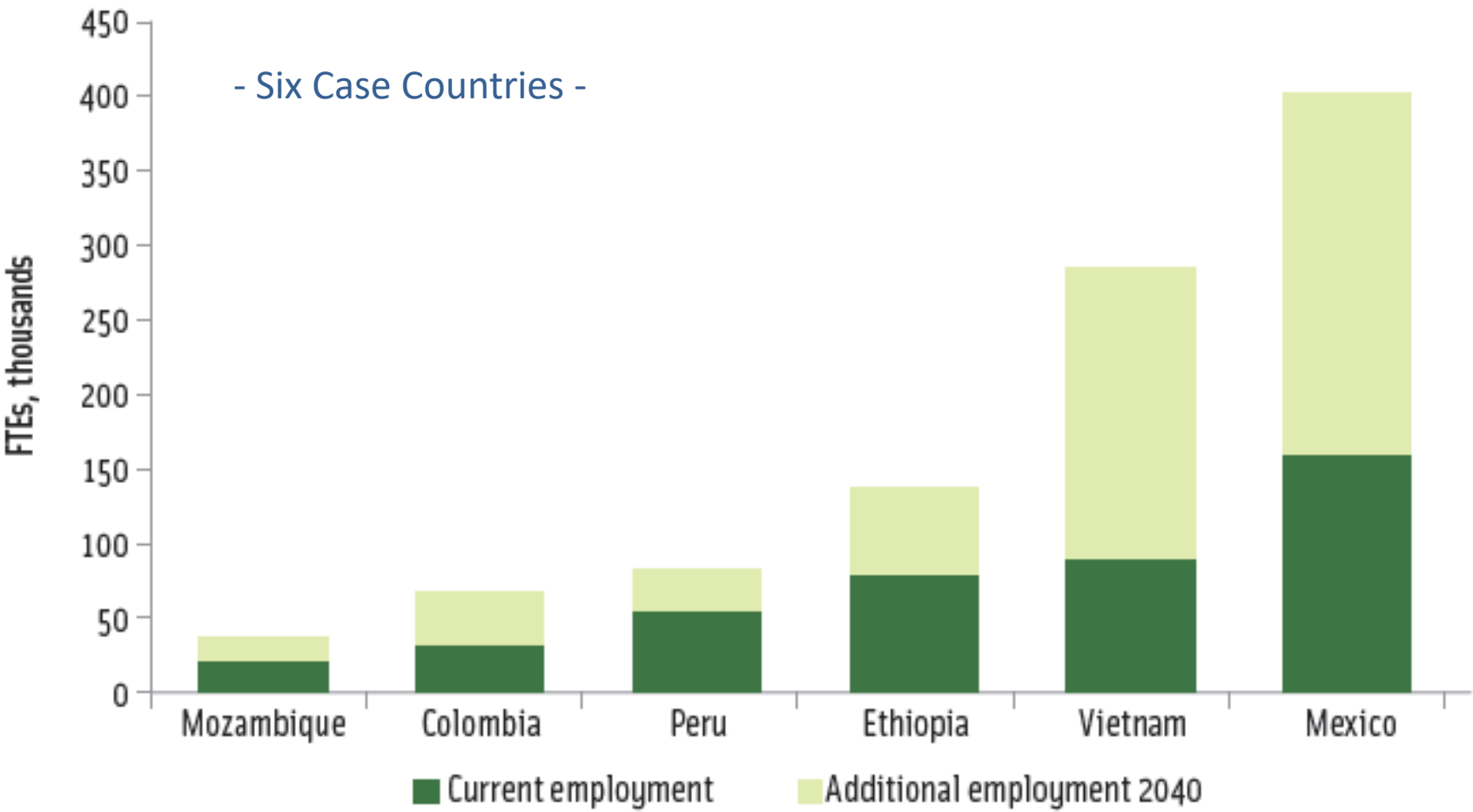
Note: FTEs = full-time equivalent workers.

Mitigation potential of Green Growth/Bio-economy Scenario

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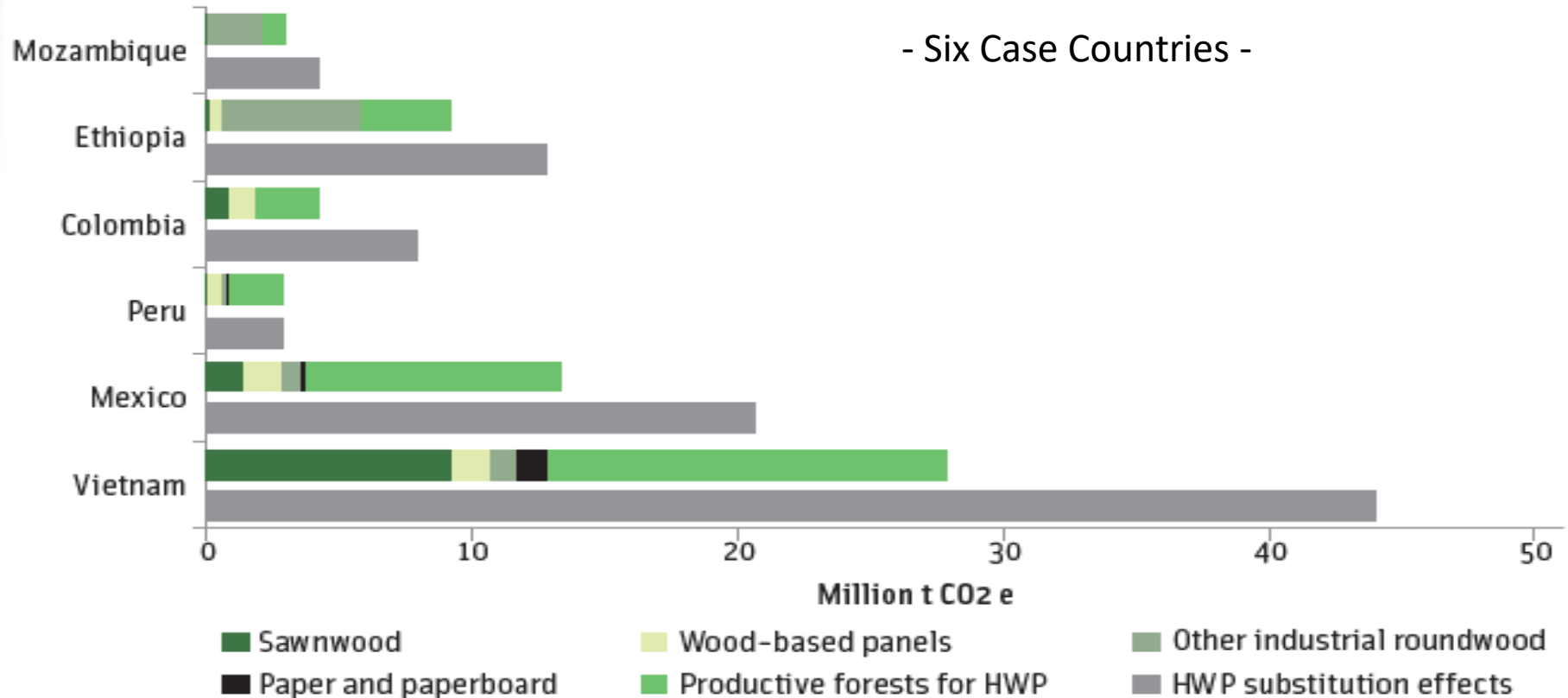
Note: HWP = harvested wood products; t CO2 e = tons of carbon dioxide equivalent.

The forgotten component in REDD+: Subsitution

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

Potential gains from forests: 8GtCO2/year
15% of 2018 mitigation gap

Ingredients for Legal and Sustainable Supply Chains and good Forest Governance

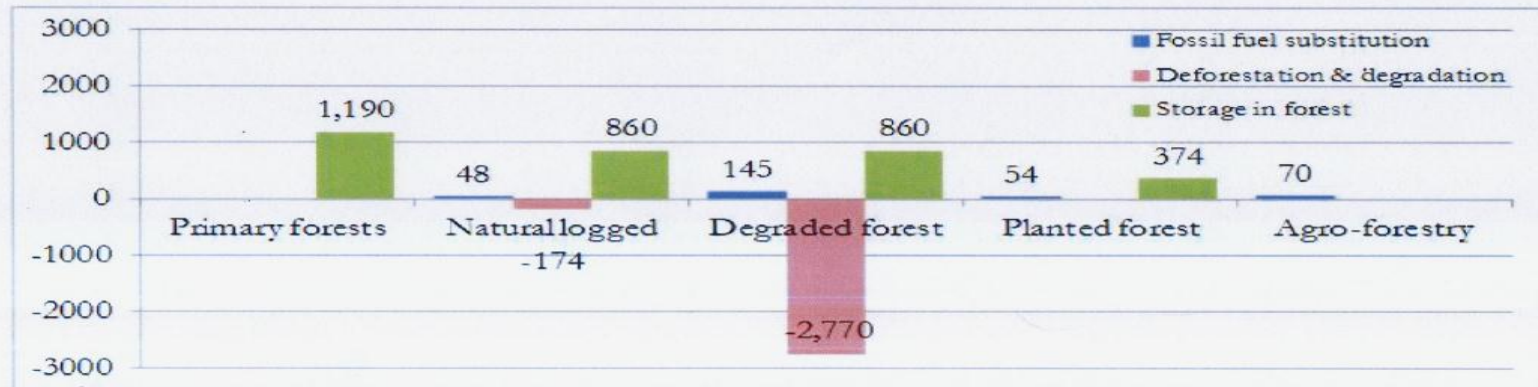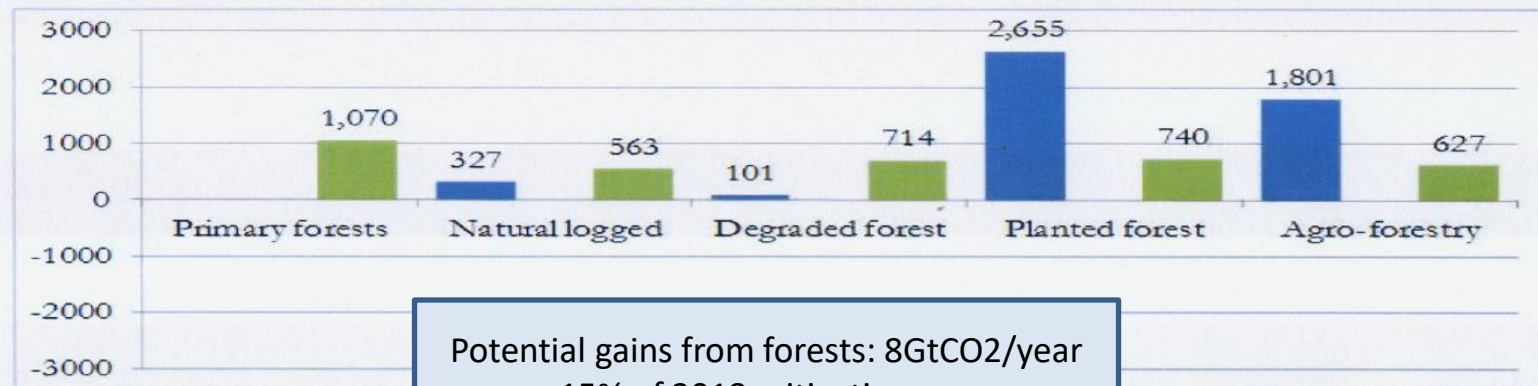| Incentives and Finance	Access to Information & Data	Rule of Law/ Rights/Justice	Human Capacity
	• Remote sensing • Mapping • Planning tools • Information management systems • Timber tracking • DNA finger printing • International Data networks • Verification/ Certification systems • Market data	• Law enforcement (FLEG) • Eliminating corruption & informality • Access to resources • Land rights • Gender equity • International rules (CITES) • Fair "rules of the game"	• Education • Training • Knowledge • Infrastructure • Income • Health • Security

Financial Incentives (e.g. soft loans and grants, taxes, access to finance)

Administrative Incentives (e.g. extended permitting, favourable thresholds for obligations)

Reputational Incentives (e.g. voluntary certification, voluntary disclosure, natural capital accounting)
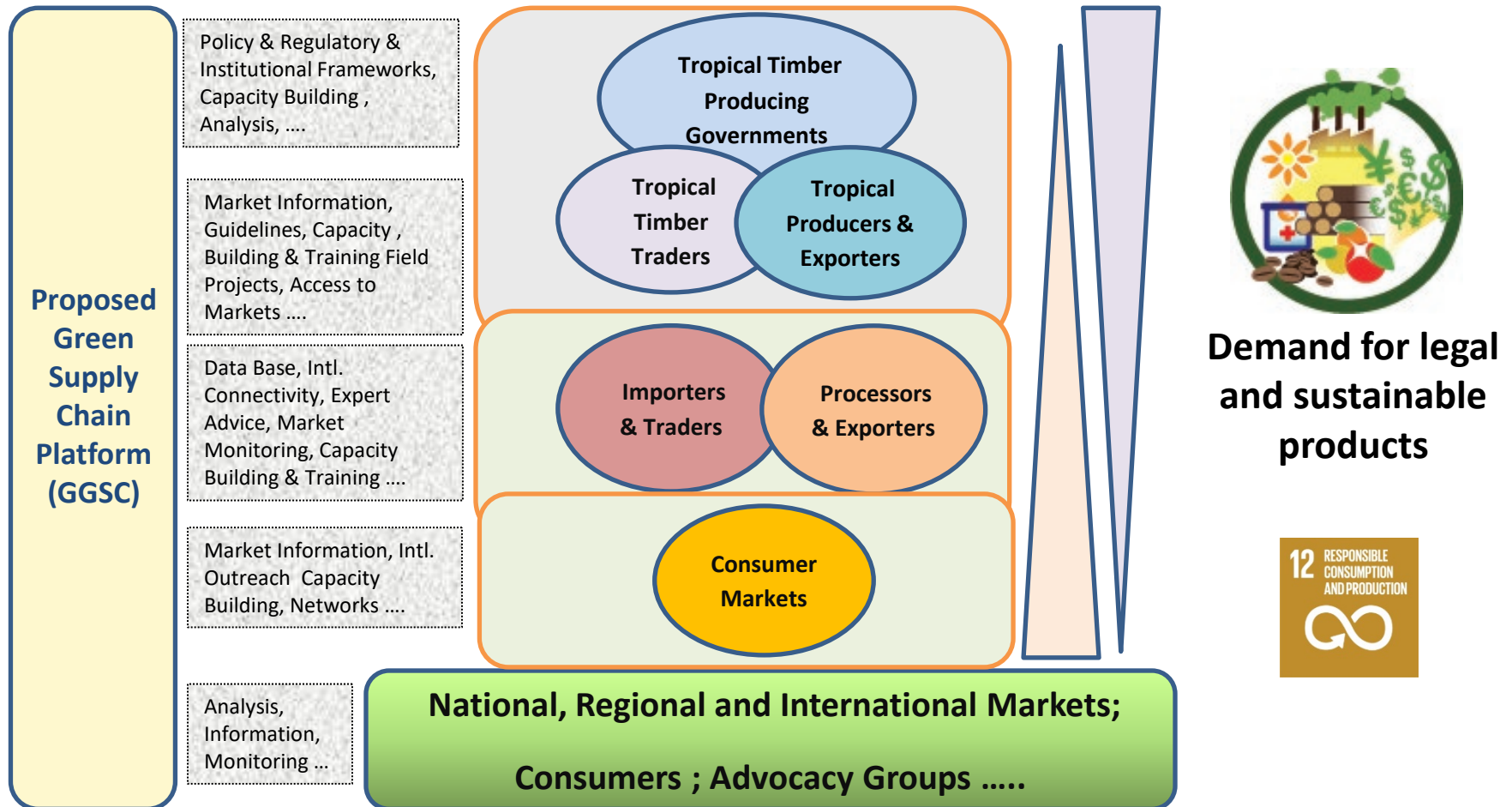
Information and capacity building for Green Supply Chains

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 …

Tropical Timber Producing Governments

Tropical Timber Traders

Tropical Producers & Exporters

Importers & Traders

Processors & Exporters

Consumer Markets

Demand for legal and sustainable products

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

National, Regional and International Markets;

Consumers ; Advocacy Groups …..

Verification of Legality and Sustainability
- Key International Instruments and Processes -

- **Sustainable Development Goals (SDGs)**

- **Paris Agreement – Nationally Determined Contributions (NDCs)**

- **European Timber Regulation (EUTR)**

- **EU Forest Law Enforcement and Trade Initiative and Voluntary Partnership Agreements (FLEGT/VPAs)**

- **US Lacey Act**

- **Japan Clean Wood Act**

- **Australia …**

- **Korea…**

- **China Global green Supply Chain Platform**

- **Forest Stewardship Council (FSC)**

- **Program for the Endorsement of Forest Certification (PEFC**

- **National Certification Schemes**

- **……………**

International Forum: Together Towards Global Green Supply Chains

22–25 October 2019, Shanghai & Huzhou, China

The forum:

- highlighted the importance of legal and sustainable wood products supply chains

- secured commitment from industries and governments

- agreed to establish a GGSC Network

  - ➢ to facilitate business information

  - ➢ for exchange and collaboration between wood product producers, buyers, processing industries and wood product market representatives nationally and internationally.

Key questions to be addressed in building Legal and Sustainable Supply Chains

- **How to assisting governments in building enabling institutional and policy frameworks** for promoting legal and sustainable supply chains and enabling business conditions for actors who operate in such chains,?

- **How to develop, promote and implement effective incentive mechanisms** for increased investments in legal and sustainable forest management and associated downstream supply chains

- **What are the needs for capacity building for sustainable forest management, production and trade** (tracking and documentation, voluntary legality verification and certification,?

- **How to ensure transparent and fair marketing and trading of wood and forest products**: market information, strengthening tropical country trade associations and cooperative organizations, facilitating linking domestic and international buyers and sellers of legal and sustainable wood and forest products?;

- **How to ensure comparability and coherence among different national and international regulations and standards** related to legality and sustainability in order to facilitate compliance for suppliers of legal and sustainable wood products?

- **How to overcome informality in domestic trade and intra-continental trade** in forest developing countries though legal and sustainable supply chains?

- **What type of advocacy and awareness-raising among all stakeholder groups** is needed for promoting the role of productive forests and sustainable wood for economic, social and environmental development, climate change mitigation and adaptation, and the conservation of global biodiversity?

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Thank you very much!

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