



# ITTO's continuing efforts to sustain tropical wood use

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# Talking Points



- *ITTO's mission to sustain tropical forest*
- *Continuing efforts to promote sustainable wood use*
- *Innovation to optimize contribution to sustainable forest management*

# ITTO's mission



- Promote the sustainable management and conservation of tropical forests.
- Promote the expansion and diversification of trade in tropical timber from sustainably managed and legally harvested forests.

ITTO—THE SOLE inter-governmental organization focused entirely on tropical forest resources.

ITTO members (37 producers & 38 consumers) **cover over 80% of global tropical forests and account for 90% of trade in tropical forest products!**



# Increased capacity: ITTO Pilot Programme Lines



- Legal & Sustainable Supply Chains (LSSC)
  - Enhance tropical timber supply and value chains, from the forests to the market, to achieve legality and sustainability.
  - Capacities of legal and sustainable supply chain enhanced, business collaboration and networking facilitated:
- Conservation of Biodiversity and Ecosystem Services
- Forest Landscape Restoration and Resilient Livelihoods
- Emerging Issues and Innovation

# ITTO's Legal Sustainable Supply Chains Programme



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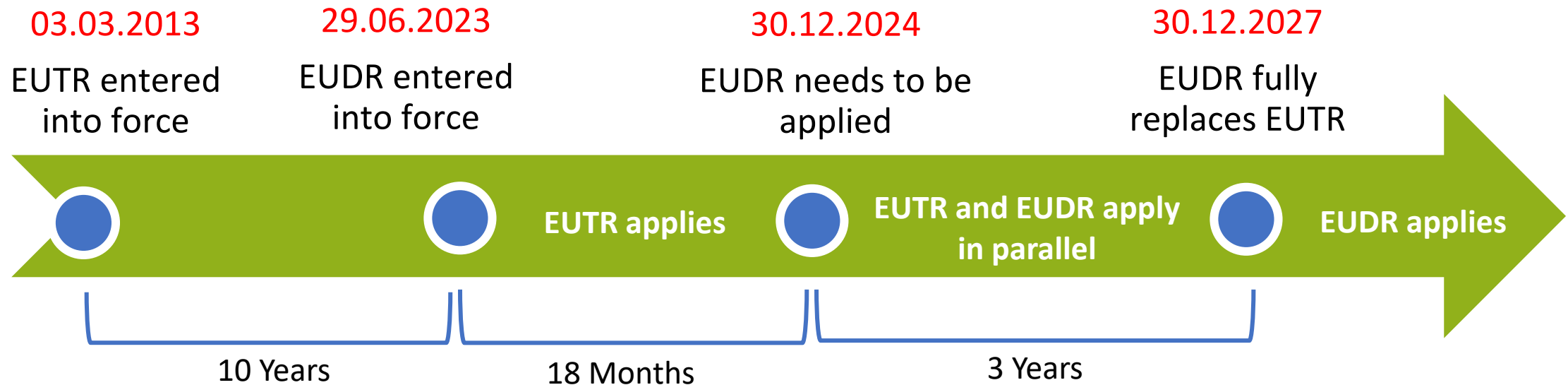


# Forest legality and sustainability requirements



- A key requirement of sustainability—compliance with all legal frameworks.
- Forest governance and legality requirements are meant to counter the negative impacts of illegal practices in tropical forests.
- Greater need to demonstrate the legality and sustainability credentials of forest products.
- National and international legislations/regulations require evidence of the legality of imported timber.
- More requirements are being faced by timber producers.

# EUTR → EUDR



EUTR continues to apply in case of:

- Harvest before 29.06.2023
- Placing on the EU market between 30.12.2024 und 30.12.2027

EUDR applies to all wood harvested from 29.6.2023



# Continued promotion of sustainable wood use

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- ITTO promotes sustainable wood use in the producer member economies.
- Current stage: promoting domestic markets through projects implementation, financially supported by Japan Governments in South East Asia economies: Viet Nam, Thailand and Indonesia; Malaysia; and India
- Projects's scope: improve domestic strategy/policy, improve production capacity, improve CFE's skill capacity, enrich assortment of wood products, educate consumers on advantages of using wood products vs substitute products
- Projects' outputs and outcomes support SW4SW initiative → strengthen sustainable wood value and supply chains in order to enhance their social, economic and environmental benefits from production to consumption



# PD 922/21 Rev.1 (I)

## Promotion of Sustainable Domestic Wood Consumption in Viet Nam



# Promotion of Sustainable Domestic Wood Consumption in Viet Nam

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- Objective:

Enhanced and diversified domestic consumption and promoted local markets of wood & wood products

- Output:

Output 1: Improved policy framework to drive domestic consumption of wood and wood products

Output 2: Strengthened capacity to produce wood and wood products to meet local market demands & promote local consumption

ITTO budget: US\$ 339,500





PD 926/22 Rev.1 (I)

# **“Promotion of sustainable domestic consumption of wood products in Thailand”**

# Promotion of sustainable domestic consumption of wood products in Thailand

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## **Development objective:**

To contribute to sustainable and efficient use of domestic wood resources

## **Specific Objective**

To promote sustainable domestic consumption of wood and wood products in Thailand

ITTO budget: US\$ 320,000





PD 928/22 Rev.1 (I)

# **DEVELOPMENT OF SUSTAINABLE DOMESTIC MARKET FOR WOOD PRODUCTS IN INDONESIA**



# Development of sustainable domestic market for wood products in Indonesia



## DURATION



**18 months  
(2023-2024)**

## BUDGET



▪ ITTO: \$261,811

## Objectives



### Development objective:

To increase contribution of the wood industry to domestic economy through strengthened growth of the industry

### Specific objective:

To promote strong and resilient domestic consumption of wood products



## Outputs

### Output 1:

Increased capacity of domestic market to satisfy consumer's need for wood products

### Output 2:

Enhanced institutional arrangements for steadily rising domestic consumption of wood products



# Promoting sustainable wood use for domestic market in Malaysia (about to start)

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## **Project's focus:**

Promote the development of domestic consumption for sustainable wood products, in anticipation of population and economic growth and reduced carbon footprint , through increased resilience of consumption, and enhance supply chains and improved government policies.

**ITTO Budget:** US\$ 212,088

**Status:** Project Agreement has been signed by MTCC and ITTO



# Promoting sustainable teakwood use for domestic market in India

## (In preparation)



### Project's focus:

The specific objective of the project is to enhance the resilience and sustainability of the teak wood sector and promote sustainable use of teak resources and wood products in India + 5<sup>Th</sup> World Teak Conference

**ITTO Budget:** US\$ 296,000

**Status:** pending Project Agreement  
(Kerala Forestry Research Institute-ITTO)





# ITTO's continuous updates on timber markets



- ITTO Annual Market Discussions:
  - in 2023 “Tropical Timber Industry: Challenges and Opportunities from Changing Priorities”,
  - Global Legal and Sustainable Timber Forum 2023, 21–22 November 2023, Macao SAR, China ([www.itto.int/events](http://www.itto.int/events)). Next forum to be convened in **September 2024**.





### Macao GLSTF 2023:

- Promoting SFM, creating legal and sustainable wood product supply chains, facilitating the legal and sustainable use and trade of wood products, and contributing to SDG and climate-change mitigation
- Applying advanced technology, tools, and methods to ensure the legitimacy and sustainability of timber sources, including the implementation of digital/blockchain technology timber traceability, and compliance with legal and sustainable timber standards is highly recommended.
- The forum touched on regulatory requirements, on the challenges of compliance with laws like the new EU Deforestation Regulation and the CITES regulations. Regulation is of course essential to build legal and sustainable supply chains, but trade regulations in major timber consuming markets need to be consistent, and tropical economies need support and investment in capacity building to allow their continuing market access. There is a need for smart regulations that do not unnecessarily add transaction costs that might undermine the relative competitive position of legal and sustainable timber.





## Macao GLSTF 2024 (11-12 September 2024)

- Specialized Sub-forum on Timber Legality and Sustainability:
  - ‘Responses to emerging timber trade requirements’
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- ☐ Session 1: Updates on tropical timber producers’ responses towards emerging timber trade requirements (EUDR)
  - ☐ Session 2: Updates on national forest certification scheme to support legal and sustainable supply chains





# Concluding remarks



- Forest governance—fast track to sustain tropical forest—better social welfare.
- Major markets for tropical timber and timber products sent strong signals for enforcement of timber legality and sustainability.
- More and more emerging trade regulations and requirements are being faced by producers.
- Development of EUDR and CITES may have impact on timber trade of Africa/Congo Basin.
- Capacity building is urgently needed for timber producers particularly Africa/Congo Basin.
- ITTO potentially enables to play key roles as the main hub for assisting producing member economies.
- ITTO will continue promoting the sustainable wood use, as we believe the future made from wood!



# Concluding remarks



## Scoping SWU promotion:

All SFM aspects of wood supply chains will be practiced → The emission can also be reduced by changes in how the extracted timber is converted into wood products. Harvested wood product is important carbon sink.

Support ITTO member economies achieving their decarbonized society (e.g. Japan)

Using wood in construction also reduces the carbon footprint of buildings/houses in comparison to other materials, meaning that wood offers great potential to revolutionize the greenhouse gas emissions of the construction industry, and in turn will help economies to fulfil their NDC.



# WORK WITH US!

## Global Legal & Sustainable Timber Forum: 11–12 Sept 2024, Macao SAR, China



LSSC online  
course



ITTO Policy  
Series



ITTO Technical  
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