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**FAO European Forestry Commission matters: The role of
sustainable wood value chains in achieving the SDGs****Food and Agriculture Organization****European Forestry Commission****Fortieth session**

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**The role of sustainable wood value chains in achieving the
SDGs****Note by the Secretariat***Summary*

Sustainable Wood for a Sustainable World (SW4SW) is a Joint Initiative of the Collaborative Partnership on Forests (CPF) led by the Food and Agriculture Organization of the United Nations (FAO), together with its Advisory Committee on Sustainable Forest-based Industries (ACSEFI) and in collaboration with the Center for International Forestry Research (CIFOR), the International Tropical Timber Organization (ITTO), the World Bank (WB) and the World Wildlife Fund (WWF). It aims at strengthening sustainable wood value chains by enhancing their social, economic and environmental benefits from production through to consumption. To this end, the initiative implements collaborative activities and catalyze efforts to strengthen sustainable wood value chains.

The paper provides brief information on the Sustainable Wood for a Sustainable World (SW4SW) initiative and the role of sustainable wood value chains in achieving the SDGs.



I. Background on the Sustainable Wood for a Sustainable World Initiative

1. Sustainable Wood for a Sustainable World (SW4SW) is a Joint Initiative of the Collaborative Partnership on Forests (CPF) led by the Food and Agriculture Organization of the United Nations (FAO), together with its Advisory Committee on Sustainable Forest-based Industries (ACFSI) and in collaboration with the Center for International Forestry Research (CIFOR), the International Tropical Timber Organization (ITTO), the World Bank (WB) and the World Wildlife Fund (WWF). This initiative is rooted in the conclusions of the Global Meeting ‘Sustainable Wood for a Sustainable World’, held at FAO Headquarters in 2017, where more than 100 professionals from 40 countries discussed the role of sustainable wood value chains in achieving the objectives of the 2030 Agenda.

2. Building upon the key messages agreed at this Global Meeting and the ongoing work of the partners, the SW4SW was launched on the margins of UNFF 14. The FAO Forestry Paper 180 “Making forest concessions in the tropics work to achieve the 2030 Agenda: voluntary guidelines”, jointly produced with the European Forest Institute (EFI), was released in the same occasion as the first product of the initiative.

3. The SW4SW Initiative aims to strengthen sustainable wood value chains and promote and unlock their contributions to sustainable rural and urban landscapes. It aims to increase the contributions of these value chains to the Sustainable Development Goals (SDGs), the Global Forest Goals and the climate change commitments. An assessment of most direct contributions identifies poverty alleviation through cash and in-kind income, food security through forest fruits and wood fuel, employment of women, provision of ecosystem services, bioenergy, innovation, material efficiency and low carbon products. Reconciling these contributions from forest products and services with forest conservation strategies is fundamental for achieving sustainable rural landscapes and cities.

4. For instance, we know that urbanization is expected to add 2.5 billion people to cities by 2050. On one hand, rural impoverishment, depletion of natural resources and lack of opportunities, in particular in forest areas, lead to increasing migration to urban areas. On the other hand, wood fibre is key for reducing the planet’s carbon footprint. Promoting generation of values added and jobs through sustainable forest value chains and in particular sustainable wood value chains, involving natural forests and plantations can accelerate progress towards the SDGs and climate change objectives. Exploring these opportunities are of critical importance in Africa and Asia, regions experiencing very fast urbanization.

5. The importance of advancing sustainable forest management is clearly stated in the SDG framework through the indicator 15.2.1 “progress towards sustainable forest management”. Sustainable wood production is one of the outcomes of forests that are sustainably managed, and it enables significant socioeconomic benefits from forests such as income, fuel for cooking and sterilisation of water, and skilled jobs, besides a number of non-marketed environmental benefits. These benefits are not only crucial for forest communities and rural development but also generate employment and income in the cities, and supply to rural and urban environments materials that are renewable, recyclable and highly suitable to cascading use. If the market recognises the full range of benefits associated with sustainable wood products, demand and prices for these products can evolve accordingly, acting as a driving force to advance sustainable forest management. Harnessing such benefits and positive linkages is of great importance for both the developed and developing countries.

II. The Role of the SW4SW

6. The proposal is an umbrella initiative intended to implement collaborative activities and catalyse efforts to deliver concrete actions at policy, technical, scientific and political levels that strengthen sustainable wood value chains, and promote positive linkages between these value chains and poverty reduction, sustainable landscapes and sustainable growth. Through collaboration with a broad range of stakeholders along the value chains, from the global to the local level, the initiative aims at addressing the drivers of unsustainable wood production and working with other sectors and consumers. Actions

range from advocacy of the positive contributions of sustainable wood to the support to the formulation of policy frameworks and approaches, generation of scientific evidence and good practices as well as market and finance solutions, creating opportunities for the expansion of sustainable forest management and a low-carbon bioeconomy.

7. The case for cross-sectoral coordination underlies this initiative. The decisions to consume sustainable wood products lie outside the forest sector. For instance, in the United States, around 75% of the consumption of wood products come from the construction sector. Housing policies and construction codes have a significant impact on the demand for wood products. Besides construction, the pulp and paper industry and the energy sector, followed by furniture and the fine chemical industry form the bulk of consumers of wood products. For all those industries, demand is outside the forests, as is the decision to commit or not to the use of sustainable products.

8. Similarly, decisions related to most of the socioeconomic benefits generated for forest dwellers or forest-dependent communities are outside the forest or environmental sectors. For instance, wood energy is essential, but the sustainability of this value chain depends on decisions taken in the energy and other sectors, which generate the demand for wood fuel and charcoal for multiple uses, including nutrition.

9. At country and regional levels, implementation of the SW4SW initiative starts with sub-regional and national dialogues to identify the critical features of wood value chains, the sustainability aspects, challenges and opportunities. Such dialogues can be complemented by a cartography of wood value chains, mapping out the main products, stakeholders, production and trade flows, as well as the institutional arrangements to support sustainable production, consumption and trade. Based on these initial assessments, a roadmap to address the main priorities to ensure the use of sustainable wood value chains in sustainable development and climate change strategies should be developed, and actions at the political (advocacy/awareness), policy (institutional and legal frameworks), operational (technical, markets and finance) and scientific levels be implemented. A fundamental part of this work is the value chains approach to finance, which demonstrates the business case for forest conservation and restoration based on multiple use and identifies the different types of funds to support sustainable landscapes.

10. In 2018, the SW4SW was presented in Sweden and Denmark to an audience of private sector stakeholders and in the Sixteenth Biennale of Architecture in Venice, among other events, advocating for the use of sustainable wood for achieving a low carbon – reduced waste economy while contributing to advance sustainable forest management. The initiative is working closely with other FAO corporate work on sustainability. In 2019, FAO's work on the SW4SW has prioritized work on finance, in particular catalysing private finance to forestry, and the SW4SW Dialogues in Africa and China. In May, a Dialogue for African Francophone countries in Douala, Cameroon, gathered 65 participants from governments, private sector, civil society, international organizations, business associations, professional associations, industry experts and communities. The meeting organized by the World Wildlife Fund (WWF) and FAO, counted with participation of all SW4SW partners and was followed by a Cameroonian national dialogue. Conclusions of this Dialogue confirmed the relevance of the value chain approach and identified the development of intra-regional and national value chains as well as capacity building to more efficient processing and policy and institutional support for increased intra-regional trade. In October, a Dialogue in Pretoria, South Africa, will address the non-Francophone African countries. In November, a Dialogue will take place in China, with focus on sustainable production and trade.

III. Importance of SW4SW for Europe and Central Asia

11. The FAO-led work under the SW4SW is being developed in close collaboration with the FAO's Advisory Committee on Sustainable Forest-Based Industries (ACSEFI). This committee has been highlighting the relevance of SW4SW in Europe, Central Asia as well as in all regions of the world, based on the perception of a generalized bad image of wood products, even though the underlying motivation differs across regions. The Forest Communicators Network has provided similar feedback. In Europe and Central Asia, where forest cover and the wood standing volume are increasing and where technologies and capacities are available for production and use of sustainable wood products, updating

regulations and creating incentives for the use of sustainable wood can pave the way for increased climate change mitigation through enhanced wood-based bioeconomy. The construction sector, which has benefited from new climate-smart technologies which deliver safer, cheaper and low carbon use of wood in construction, is a key actor, but not the only one. Substitution of sustainable wood products and their derivatives for fossil-fuel intense products not only can deliver carbon emission reductions but can also have significant impact on reduction of the material footprint, due to wood's suitability to cascading use and recycling.

IV. Future Work under the SW4SW Initiative

12. The work plan of the SW4SW is available at the CPF webpage. FAO, CIFOR and ITTO have outlined their activities per outcome, focused on their respective expertise and on-going work. FAO, in collaboration with partner organizations will focus on strengthening the business case for sustainable wood value chains, with focus on institutional mechanisms and capacity building for more environmentally and socioeconomic sustainable forest value chains. This work encompasses activities to support policies and programmes to harness contributions of wood products to the SDGs and climate change mitigation, including through assessment of positive linkages and economic impact of wood value chains (SDGs 1 and 8), innovation, efficiency and the impact of substitution for climate change mitigation (SDGs 9, 12 and 13). The work on promoting the use of sustainable wood products to engender a bioeconomy will be another priority. A workshop will take place in FAO Headquarters on 26-27 November 2019 with the objective of creating a working group to develop practical guidance for enabling contributions from wood products to the bioeconomy in developing and developed countries, based on assessment of good practices.

13. Another priority is the work on more inclusive wood value chains, with special attention to small holders and forest communities. It will build on the work developed by FAO on responsible investment in the agricultural sector and the sustainable and inclusive food systems and shall contribute to advancing the use of blended finance in forest projects, including ecosystem restoration.

V. Points for consideration

14. The Commission may wish to invite countries in the region to:

- (a) Support the objectives of the "Sustainable Wood For a Sustainable World" initiative and their dissemination and implementation;
- (b) Strengthen the initiative by connecting it to other relevant processes and initiatives, at global, regional and national levels;
- (c) Provide financial and/or in-kind contributions to scale up the SW4SW.

15. The Commission may wish to request FAO to:

- (a) Support country efforts in the region to assess and harness the main contributions of sustainable wood value chains to the SDGs and climate change, as well as engendering and strengthening wood-based bioeconomy at national level;
- (b) Seek further cooperation with regional partners to build capacities to strengthen sustainable wood value chains and their contributions to the advance sustainable forest management, achieve sustainable landscapes and climate change objectives, including in relation to the Decade of Family Farming and the Decade on Ecosystem Restoration;
- (c) Engage with the public and private sectors to improve the public perception of sustainable wood products, emphasizing the benefits of sustainable wood value chains and pointing out the differences between sustainable and unsustainable wood products.