Overview - Sustainable Wood Product Value Chains: Benefits, Challenges, and Opportunities

Sustainable Wood for a Sustainable World

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Setting the Stage: Key Concepts and Terms

- **Sustainable Forest Management**
  - Maintains or enhances the economic, social and environmental value of forests, for the benefit of present and future generations

- **Sustainable Wood Production**
  - Seeks to create economic value from wood products derived from sustainably-managed forests
  - A tool to address deforestation and forest degradation, and to generate benefits for local communities

- **Sustainable Forest Value Chains**
  - Generate profit for all segments of the production chain
    - Forest Management, Processing, Manufacturing, and Retailing
  - Create broad-based benefits for society
  - Retain local forest resources and the provision of ecosystem services
Findings and Key Considerations

- **Benefits of SPWP Expansion:**
  - Achievement of SDGs, NDCs, and zero-deforestation landscapes
  - Economic development and livelihoods, targeting SMEs

- **Supply-Demand Context:**
  - Growth in demand for wood products is surpassing supply
  - Global demand predicted to quadruple from 2012 to 2050

- **Implication:**
  - Wood harvesting globally will increase to meet demand in coming decades
  - Can we meet this demand through sustainable wood product value chains?
Market Substitution: Non-wood Building Materials and Other Competing Products

- Masonry and concrete are often perceived as ‘higher-status’ for construction in developing countries, and are more widely available in local markets than advanced-technology wood products

Capital Investment Risks and Constraints

- Various political, economic, and policy challenges hinder investment in sustainable wood product value chains

Timber Illegality

- Illegal timber depresses prices for sustainably produced wood products
- Contributes to heightened reputational and law-enforcement risks for actors seeking to responsibly procure sustainable wood products
Emerging Opportunities: Innovative Wood Products and Uses

- **Biofuels**
  - Bio-jet fuel made from forest residues
  - Alaska Airlines used 20% blend to power flight from Seattle, WA to Washington, DC in 2016

- **Bioenergy and Wood Pellets**
  - Traditional (white) wood pellets increasingly used for industrial electricity production in Europe and Asia
  - Advanced, higher-density pellets under development

- **Engineered Wood: Cross Laminated Timber and Plyscrapers**
  - CLT is a jumbo-version of plywood, made from low-grade wood inputs
  - CLT panels can be used to form complete floors, walls, and roofs
  - 24 story plyscraper being built in Vienna; 80 story plyscraper proposed for London
Water
- Forests as Natural Green Infrastructure for water purification and provision
- In 2015, an estimated €5.7B in payments for watershed protection flowed to landowners and public land managers on 13.4 million hectares of land in Europe

Health
- Medicinal plants used for millennia by indigenous peoples
- Tropical forests as a primary source of innovation for global pharmaceutical industry

Food
- Traditional foods derived from forests can support local livelihoods and generate revenue for forest protection