Sustainable Wood for a Sustainable World

SW4SW

11 March 2021
Overview

**SW4SW 2018-2021**
- SW4SW Background
- Global context: trends and gaps
- Proposed intervention
- Examples of country intervention

**SW4SW 2022-2031 Programme**
- Key features
- Alignment with FAO Strategic Framework and the SDGs
- SW4SW in NFO
- Next steps
Global trends

- Climate crisis, ecosystem restoration and SDGs
- Rural poverty: 80% of the world poor live in rural areas
- Wood gap: could reach 8 billion m3/year by 2050 (WB 2017)
- Increased use of wood in construction (mass timber products)
- Wood products substitution effect
- Increasingly imbalanced international wood trade
Global trends of major wood products

- Production of major wood products has grown steadily since 2015 and the *continuing recovery* from the economic downturn of 2008-2009.
- The *increased production* of renewable wood products provides an opportunity to *replace fossil-based products* that have a higher carbon footprint.
- E.g.: in 2019, global industrial roundwood production amounted to 2 021 million m$^3$, a slight decrease of 2 percent compared to 2018 (2 070 million m$^3$) but 9 percent increase compared to the level in 2015
The problem SW4SW aims to address

Forest value chains are often disorganized, inefficient and informal do not generate enough socioeconomic benefits and can impact the environment negatively.

Lack of a business vision for forests and their services jeopardises attraction of finance and the transition from subsistence to sustainability.

Low economic feasibility of sustainable forest management
Generates tolerance with mal practice and spurious behaviour, and reduce credibility of sustainable wood products.

One of the most valuable ecosystem services (wood) is neglected and forests cannot fulfil all its contribution to green and inclusive growth, rural transformation and the bioeconomy.
SW4SW proposed intervention: Value chain approach to forestry

- Value Chain Assessments
- Value added, Employment, products, services, markets
- Cartography of stakeholders
- Identification of bottlenecks/transaction costs
- Sustainability indicators
- Cartography of formal and informal flows

Design of target interventions

Improve/Strengthen planned interventions

- Planning and implementation (coherent approach between resource base, production, downstream processing)
- Monitoring
- Regulatory interventions
- Connection to non-forest policies and instruments (finance, trade, industry, etc.)
- Linkages to markets and investors
- Capacity building
- Partnerships
SW4SW 2018-2021: Facts and figures

- Forest Concession Guidelines
- Two regional dialogues, four national dialogues (two upcoming Kenya and Mozambique)
- Expert meeting “Catalyzing Private Finance”
- Developing bankable business plans: A learning guide for forest producers and their organizations (press)
- Impact of wood industry on the economy

- Congo Basin value chain assessment
- Support to Mozambique, Cameroon, Kenya, Uganda
- More than four producer organizations received capacity building and mentoring on forest finance in Kenya, Uganda, and Zambia.
- Participation of 400+ stakeholders from 50+ countries

And much more…
Example 2: Kenya

Training of SMEs and producer associations to access private finance (2019/20)

Assessment of social protection across sawmilling and charcoal value chains (2019/20)

Value chain assessment (completion) and design of investment strategy focused on SMEs

SW4SW Dialogue and Investment Forum

Increased capacity to access finance and connection with investors established

Access to social protection services increased
Example 3: Uganda

- Training of SMEs and producer associations to access private finance (2019/20)
- Assessment of social protection/decent employment in forestry
- Presentation of SW4SW and Strong collaboration with SPGS project (EU funded)
- Geospatial tool for decision-making on forest restoration + investment forum
- Inclusion of commercial species in restoration projects in selected areas
- Preparation for private sector investment
Example 5: Suriname

Designing a Forest Finance Strategy

- Defining current BAU
- Assessing ecosystem services, NWFP and wood products
- Estimating economic potential
- Designing a strategy with new product mixes attractive to different types and sources of finance
- Establish clear connection to ESG (Environmental and Social Guidelines) through set of indicators.
- Investment forum

Preparing the furniture value chain to export to European markets (FAO proposal EU direct funds to the country)

- Assessing characteristics of European markets
- Identifying main potential products, commercial opportunities and barriers
- Assessing national production quality and sustainability
- Assessing technical requirements and capacity needs
- Promoting technical exchange
- Development of sustainable wood furniture export plan and investment strategy
Example 5: Argentina (Initial discussions)

Initiated discussions with Argentinean Ministry of Forestry and producer associations to support institutional and capacity development for engaging forest SMEs with the construction value chains.

Designing an inclusive bioeconomy approach to wood in construction
SW4SW 2018-2021: Main contributors and partners (NFO)

- Forest Products and Statistics (including ACSFI)
- FLEGT
- Forest Resources Management
- Social Forestry
- Forest Land Restoration
- Forest and Farm Facility
- National Forest Monitoring Team
SW4SW 2022-2031
Programme

Time to scale up!
SW4SW 2022-2031: Key features

**TWO PHASES**

2022-26/2027-31
Aligned with 4 Betters

**TARGETED PUBLIC**
- Forest agencies
- Forest SMEs and Community enterprises
- Forest managers/concessionaires
- Downstream producers (consumers)
- Value chains direct players (nat./reg.)
- Finance institutions
- Final consumers

**EMPHASIS ON COUNTRY SUPPORT**

10-12 countries in 4 years
Range of support: 500 k – 2 MM per country

**CORE FUNCTION STRATEGY**

Normative work
Capacity building
Knowledge management
Advocacy
SW4SW 2022-2031: Geographic scope

Indicative countries 2022-26
COMIFAC countries, Kenya, Uganda, Tanzania, Mozambique, Zambia, Argentina, Paraguay, Uruguay, Colombia and Peru

Developing countries with forest production potential
Initiating SW4SW work at country/regional level

A context assessment
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Thank you!