

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

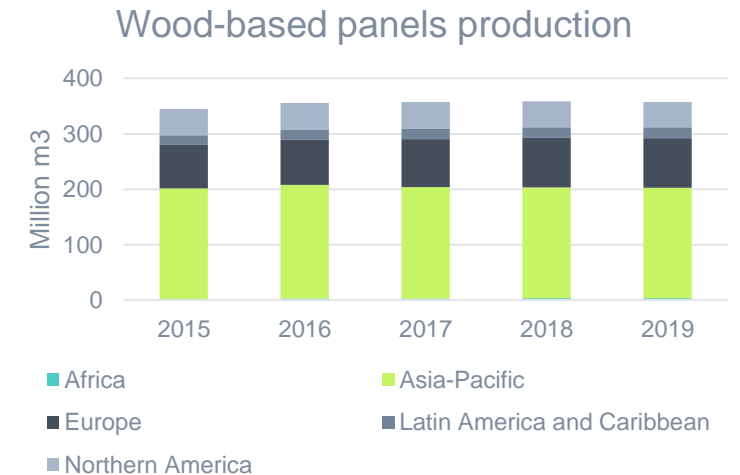
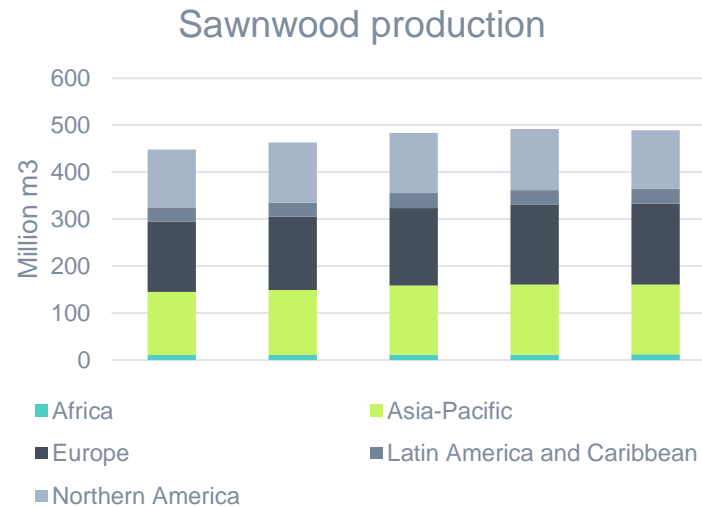
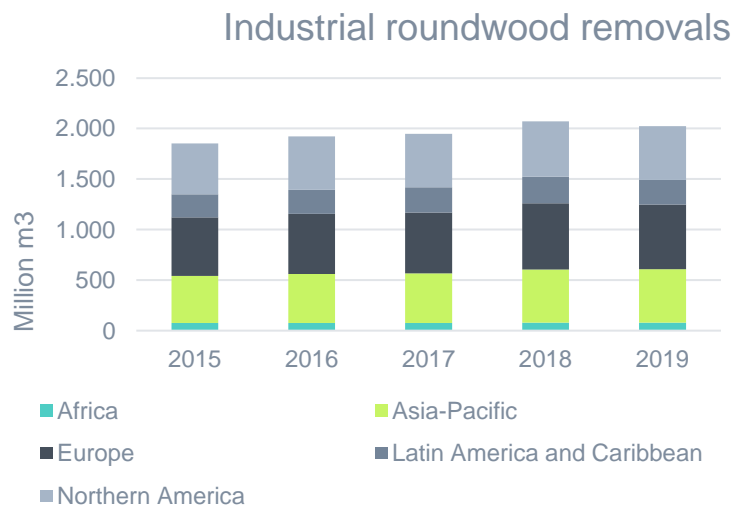
- Key features
- Alignment with FAO Strategic Framework and the SDGs
- SW4SW in NFO
- Next steps

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 m³, a slight decrease of 2 percent compared to 2018 (2 070 million m³) 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

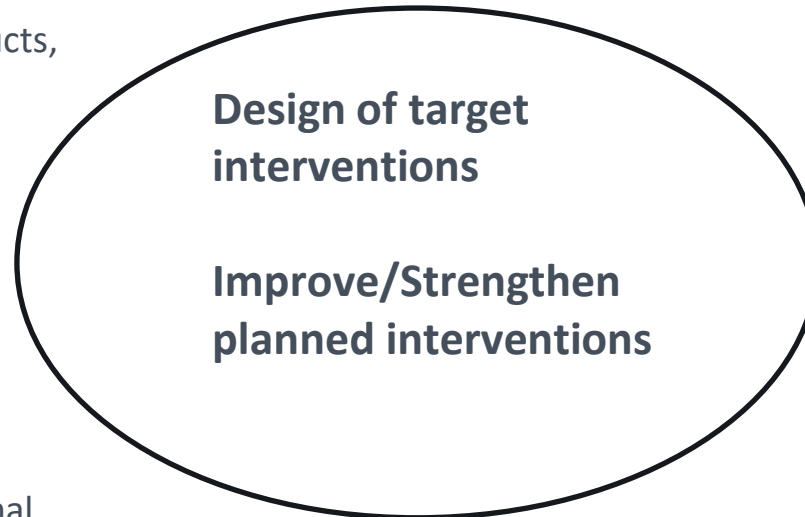
Low economic feasibility of sustainable forest management

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



- 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

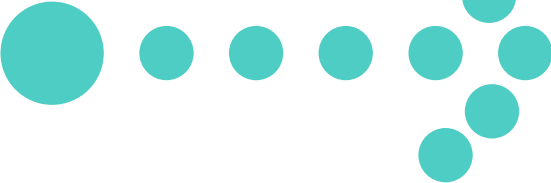
Training of SMEs and producer associations to access private finance (2019/20)



Assessment of social protection/decent employment in forestry



Presentation of SW4SW and Strong collaboration with SPGS project (EU funded)



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)



**Designing an inclusive
bioeconomy approach to wood
in construction**

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.

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

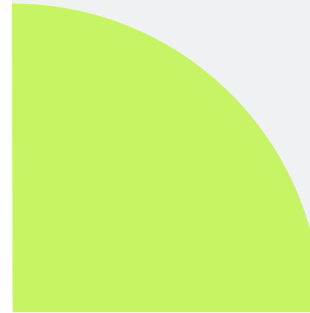
2022-26/2027-31

Aligned with 4 Betters



TARGETED PUBLIC

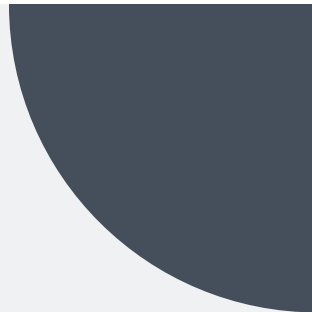
- ✓ Forest agencies
- ✓ Forest SMEs and Community enterprises
- ✓ Forest managers/concessionaires
- ✓ Downstream producers (consumers)
- ✓ Value chains direct players (nat./reg.)
- ✓ Finance institutions
- ✓ Final consumers



EMPHASIS ON COUNTRY SUPPORT

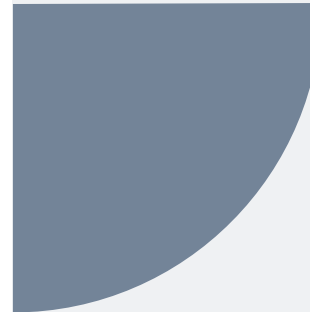
10-12 countries in 4 years

Range of support: 500 k – 2 MM per country



CORE FUNCTION STRATEGY

Normative work
Capacity building
Knowledge management
Advocacy



SW4SW 2022-2031: Geographic scope

Developing countries with forest production potential

Indicative countries 2022-26

COMIFAC countries, Kenya, Uganda, Tanzania, Mozambique, Zambia, Argentina, Paraguay, Uruguay, Colombia and Peru



Initiating SW4SW work at country/regional level

A context assessment

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Thank you!
