Harnessing the Role of Productive Forests as an Effective Strategy for REDD+ -How to meet the world's hunger for timber and forest products-

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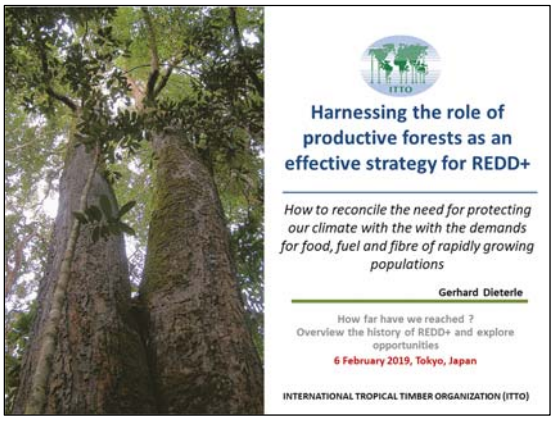
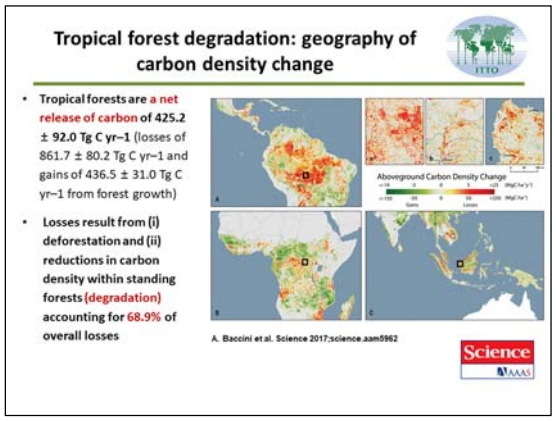
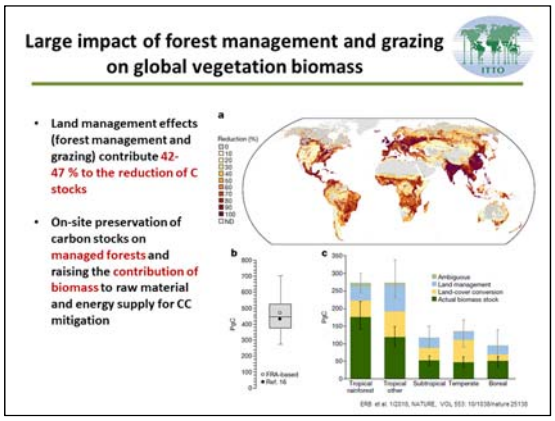


This theme is very relevant for all of us, because we all work to address climate change and development, biodiversity conservation, social issues, and so on. Today, my role is to give our assessment from International Tropical Timber Organization (ITTO) as to the role of productive forest in the context of climate change mitigation and adaptation and how that can relate as an effective strategy to contribute to climate to REDD+ activities.

Tropical Forest Degradation

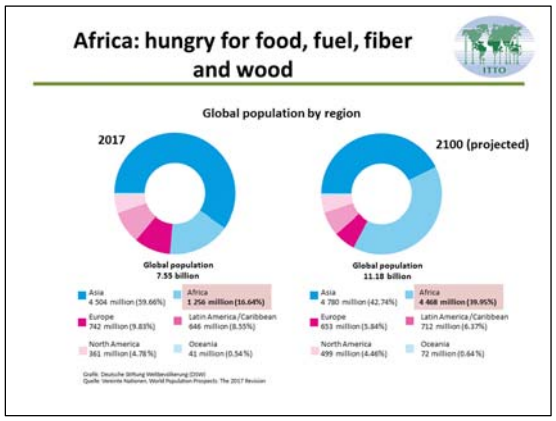


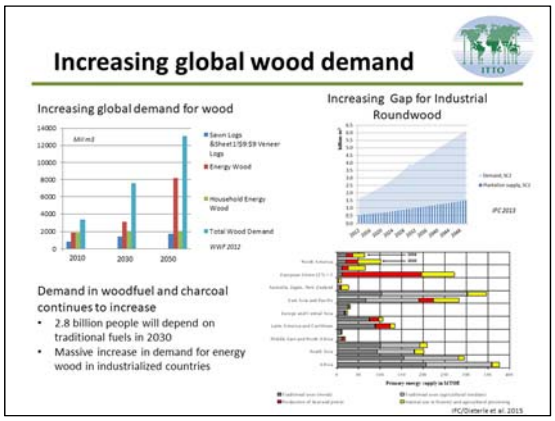


Everything I heard today makes a lot of sense. Everybody looks at the same issue from different angles. Let me start with a couple of facts. A recent scientific study on deforestation and degradation, published in *Science* in 2017 from Baccini et al concludes that that degradation is a very important factor of climate change, and it is a bigger issue than deforestation. It is where people and forest interact and influence existing forests. All the degraded red parts are around big forests regions like the Amazon, Congo Basin, and Kalimantan.

Another study from ERB et al published in *Nature* in 2018 shows inadequate forest management is a major contributor to carbon emissions from forest in addition to deforestation. This means there is something going on which is not deforestation, but which is human influenced.

Africa: Hungry for Food, Fuel, Wood

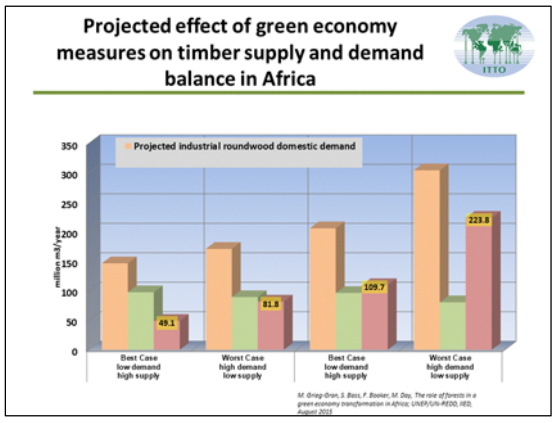


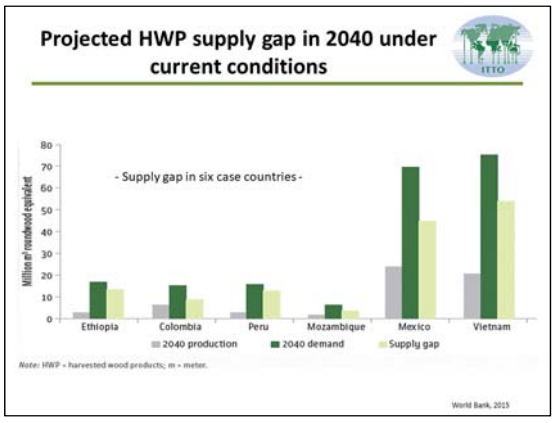


If you look at forest degradation and their carbon emissions from forests and look at the population development up to 2100, you'll see that population in Africa will grow from 1.2 billion to 4.6 billion by the end of the century. This means basically all population growths in the next 80 years will come mostly from Africa.

Based on this population trend, it is clear that people will need forests, forest products and non-timber forest products in the same way as food. There is 99% co-relation between population growth and the demand for wood and wood products. We will talk not only about food security, but also wood security, water security and so on. As a result, projections from the World Bank and our own analysis show a big carbon supply gap in the future. Even until the mid of the century and beyond, there will be an increase of demand for wood-based energy.

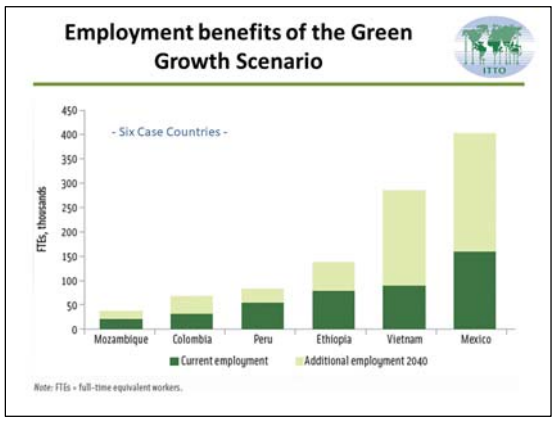
Increasing Global Wood Demand





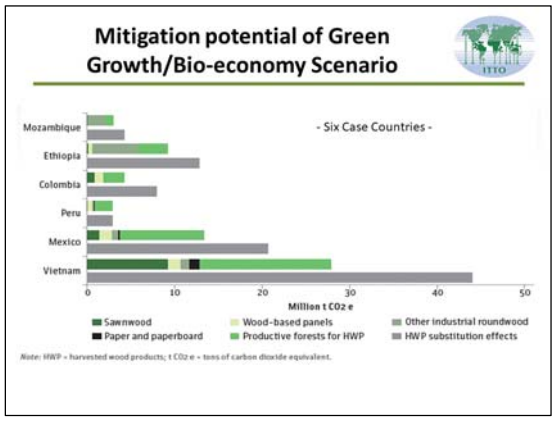
A new UN-REDD study on Africa looks at different scenarios of low demand-high supply, high demand-low supply. It shows a major gap in Africa of 700 million tons per year.

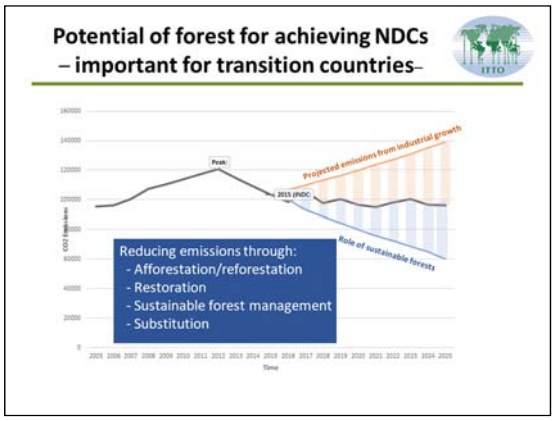
Several countries, even high forest-cover countries, show major future supply gaps including Peru, Mozambique, Columbia, Ethiopia, and so on.



What would happen if we could meet that supply gap through more investments; more afforestation, reforestation and so on? If we could close this supply gap, there would be additional jobs, additional income, and additional GDP created through forest-based measures, especially in rural areas.

Green Growth Scenario Benefits

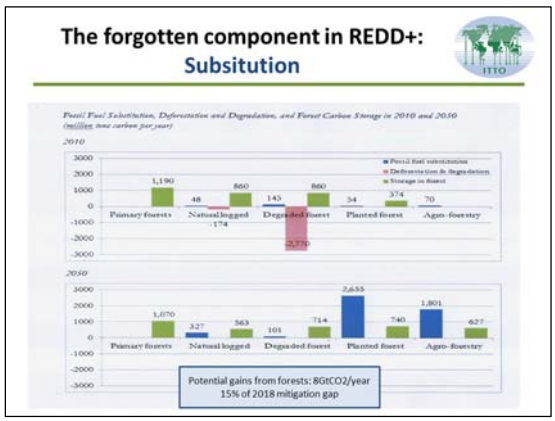




Interestingly, if we could close this gap as part of bio-economy scenario, the biggest benefit would not be only in the forest, but it would be in reducing CO_2 intensive materials in housing, in energy, and so on, that is, substitution. Everywhere the role of substitution is higher than forest-related measures all together. The problem is the emission reductions from forest are accounted under other sectors, not in the forest. That is the problem why we do not see these figures accounted for forests.

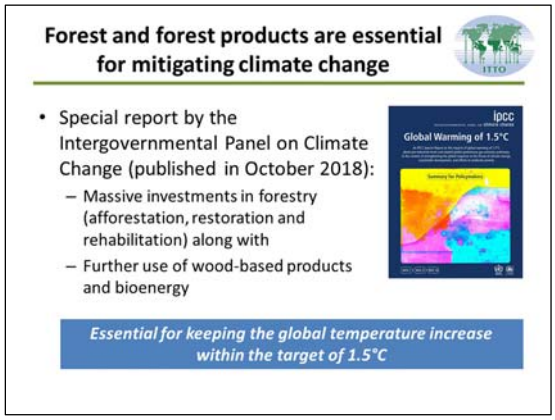
If we would grow more forest, countries such as Indonesia or Brazil would have more room for

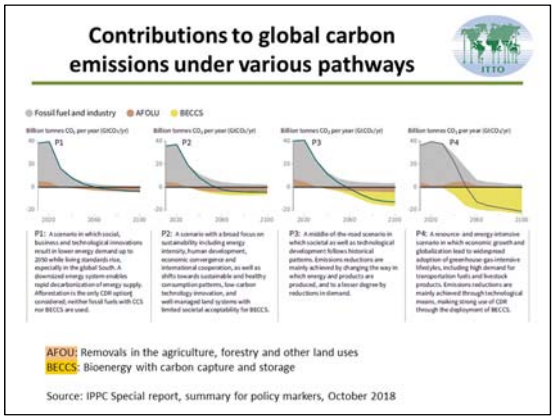
economic development in other sectors like cities or infrastructure or energy and so on, because additional forest cover could offset increased emissions from normal regular development.



Where could we close the gap? Our comparison between 2010 and 2050 shows that if we are lucky, we can keep the same amount of primary forests. But the fact is that almost all contributions to close the gap would come from afforestation, reforestation, landscape restoration, and from agro-forestry where trees are integrated into agricultural practices. Hence, investments are needed and the question is can results-based payments trigger investments? My belief is we should focus on results-based payments on forest which we need to protect by all means: natural forest, high biodiversity, high conservation forests, and develop viable economic principles and concepts for productive forest where we can meet the demands of future generations. This is a different approach.

Mitigating Climate Change



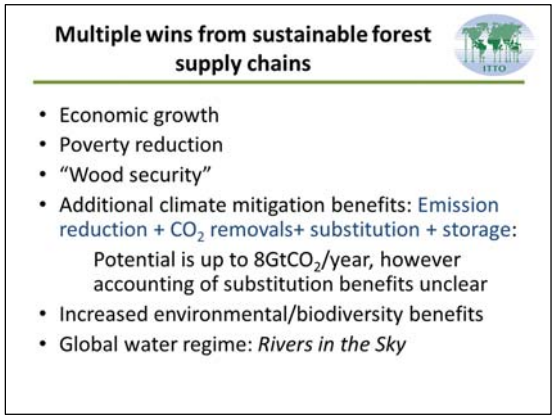


Last year, the IPCC's Special Report came out in October, which for the first time spoke about the role of forests without which the 1.5°C temperature increase cannot be achieved. They referred to REDD+ activities, as well as the use of wood-based products and bio-energy.

The use of forests and timber and wood products in housing is a key factor which is contributing to substitution. Here in Tokyo the highest, the tallest wood-based building is being projected and other high

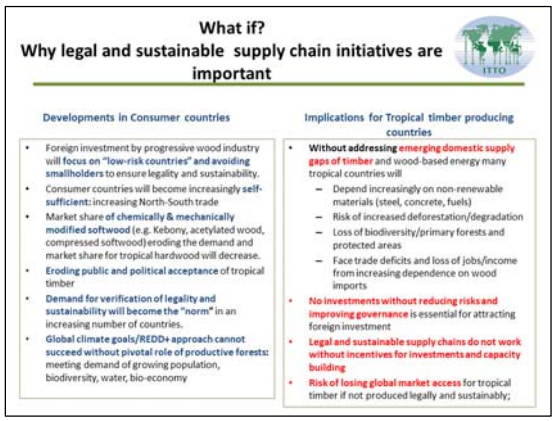
rises will come up in other countries. It is a new philosophy about bio-economy integrated into secular economies which have been highlighted by the IPCC Report very strongly. This is a new element to the REDD+ agenda and to the climate mitigation agenda, which we have to have in the future. We need to discuss how this new element can be integrated into global REDD+ approach.

Developing Sustainable Forest Supply Chains

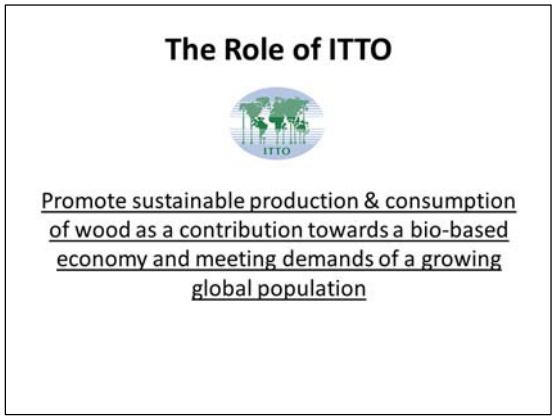


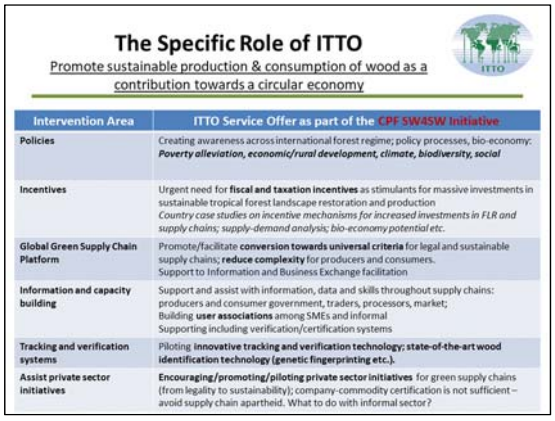
The summary is that we need to look not only at the forest, but at the whole supply chain and the value chain of forests.

If you look at sustainable and legal supply chains, a whole range of SDGs are touched throughout sustainable supply chains from the tree in the forest to the shelf on the market.



One of the consequences if tropical countries do not start looking at this new way of thinking is they will go out of business with trade and income generation. Investors will invest in countries where it is safe. Tropical countries will fall behind because new regulations in the US, EU, Japan, Australia, and Korea are all going towards legal and sustainable supply chains.





What can ITTO do? ITTO is an organization whose task is to promote trade with forest products which are coming from legal and sustainable sources and are channeled through legal supply chains to the markets. We believe that we need whole range of measures which need to go hand-in-hand, because it is clear that investment needed can only be done by private sector. However, they [investors] need an enabling environment. They need fiscal incentives, land tenure rights, and green supply chains and that is very complicated. If we want to claim that a timber is coming from sustainable sources, we need to track from the tree in the forest to the market where the consumer can say this is a good product. Forest actors, the traders and the buyers need to know where to go and how to get timbers which meet these requirements.

We are now focusing on a new initiative, which started in China with 15 or 16 of the biggest players who want to stay in business for long term. They have created a global green supply chain platform very similar to what we see in palm oil, in coffee and cocoa. ITTO sees its role working with producers in these countries to meet the requirements (of sustainable and legal supply chains) from the forest throughout the supply chain.

It is important that we start this in China because 60% of the global trade in tropical timber goes through China and 70% of that goes out of China as furniture products.

In October this year, we would like to have a global conference and we hope that many Japanese producers will join so that we can create a broad global supply chain platform where we can share information and support producers.