



**Asia-Pacific
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Agenda Item: 2

Sustainable Tropical Forest and Legal Supply Chains – Pathways to 2030

Submitted by: International Tropical Timber Organization (ITTO)



**Dialogues and Mini-Exhibition on Enhancing
Enforcement and Legal Timber Trade through
Stakeholder Collaboration and Innovation**

**Incheon, Korea
28 July 2025**

Sustainable Tropical Forest and Legal Supply Chains – Pathways to 2030

**“Dialogues and Mini-Exhibition on Enhancing Enforcement and Legal Timber Trade through
Stakeholder Collaboration and Innovation” (EGILAT 01 2025S)
28 July 2025**

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tropical forest resource
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chains/LSSC

Threats to forests continue

- Deforestation and forest degradation continue at alarming rates:
 - The world lost an estimated 10 million ha of forest (an area the size of the Republic of Korea) per year between 2015 and 2020. The latest (Uni. Maryland): in 2023, the tropics lost 3.7 million hectares of primary forest = losing 10 football fields/minutes
- Major drivers of tropical deforestation: competing land uses that produce higher and more rapid financial returns (agriculture, energy, mining and transportation infrastructure)
- Agriculture still responsible for 80% of forest loss (conversion).
- Illegal logging, woodfuel collection, fragmentation, disturbances from insects, disease, severe weather events and wildfires



Threats to forests continue

- More than 50% of 193 UN members have less than 20% forest cover
- Global population ≥ 9 BLN 2050, = \uparrow food, wood products, woodfuel, income (?)
- RESULT=The escalating impacts of climate change and biodiversity loss



“Deforestation free” market legislations



- Major timber markets have sent signals on the need to demonstrate that forest products are from legal or sustainable sources: Legislation introduced by Australia, EU, Japan, Republic of Korea, UK, USA, etc..
- All recognize the effects of deforestation on climate change and seek to address those by prohibiting certain commodities produced on (illegally) deforested land from being placed on their respective markets
- Most of measures implement a risk-based system/due diligence

Trends on tropical timber production, consumption and trade (2000s–2025)



- Significant changes in global production, consumption and trade in tropical timber and wood products since 1990:
 - less availability of roundwood supply from natural tropical forests,
 - demographic changes - shifted location and growth of wood industries (China, India, Viet Nam)
 - location of demand—from developed to developing economies, especially China.
- Major economic shocks:
 - The global financial and economic crisis (2008–2009)
 - The COVID-19 pandemic (2020–2022)
 - Ongoing global conflicts 2021-2025

Progress towards achieving Global Goals 2030



António Guterres @antoniogu... · 06 Jul ·
Progress towards achieving the #GlobalGoals by 2030 is off track - but it's not too late to turn the tide.

Every one of us can #ActNow to help create a better & more sustainable future, with equity and solidarity.



5 years left to achieve the SDGs, the promise of the 2030 Agenda is, in peril. The fragility of past hard-earned progress was compounded the climate crisis, conflict, gloomy global economic outlook and the lingering effects of the COVID-19 pandemic. If current trends continue, by 2030:

A staggering 575 million people will remain trapped in extreme poverty, 84 million children will be out of school, 2 billion people will still be relying on polluting fuels and technologies for cooking, and

The world is still reeling from the devastating impacts of COVID-19. The pandemic has created significant reversals in global health, education outcomes and economic prosperity. Although the worst is over, the recovery has been slow, uneven and incomplete.

War, conflict and human rights violations had displaced a staggering 110 million people by May 2023, of whom 35 million were refugees

In addition, the climate crisis is worsening as greenhouse gas emissions continue to rise. Global temperature is likely to reach the critical 1.5 degrees Celsius tipping point above pre-industrial levels by 2035. Catastrophic and intensifying heat waves, droughts, flooding and wildfires have become far too frequent.

ITTO's mission

- Promote the sustainable management and conservation of tropical forests.
- Promote the expansion and diversification of trade in tropical timber from sustainably managed and legally harvested forests.

ITTO— (established in 1986) THE SOLE inter-governmental organization focused entirely on tropical forest resources.

ITTO members (37 producers & 39 consumers) **cover over 80% of global tropical forests and account for 90% of trade in tropical forest products!**

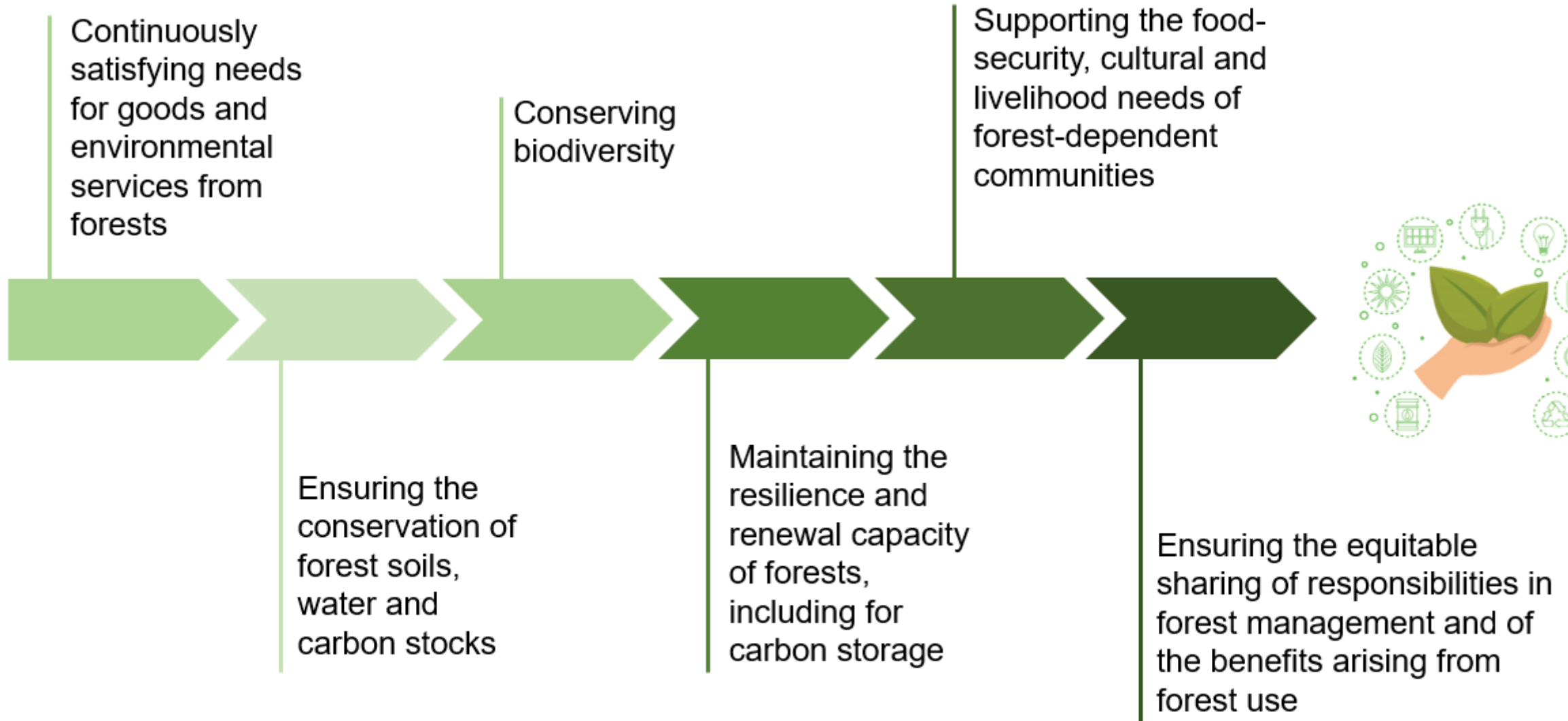




ITTO MEMBERS

- 37 **Producing** Members (14 Africa, 10 Asia & Pacific, and 13 Latin America) and 39 **Consuming** Members
- Covers **80%** of global tropical forests
- Accounts for **90%** of trade in tropical forest products

Sustainable Forest Management (SFM) Objectives



Sustainable tropical forestry provides many benefits



António Guterres @antoniog... · 07 Aug
Protecting forests is one of the most effective ways to address the climate crisis.

Forests can benefit the planet & all its people, and are invaluable in our [#ClimateAction](#) efforts to build a sustainable future.



Sustainable harvesting, processing and trade of tropical timber and other forest products:

- 1 supplies residential and commercial consumers worldwide
- 2 contributes to local and national economies
- 3 **enhances value of tropical forests** —a key factor in reducing forest conversion to other economic land uses

With sustainable forest management (SFM), tropical forests are:

- ✓ healthy
- ✓ productive
- ✓ renewable

SFM is critical to achieve most SDGs:



ITTO's Approach



POLICIES

Develops internationally agreed policy guidelines and best practices to encourage sustainable forest management (SFM) and sustainable and legal timber trade.



FIELD PROJECTS

Assists tropical members to adapt such guidelines and norms to local circumstances and to implement them in the field through projects and other activities.



DATA & STATISTICS

Collects, analyzes and disseminates data on the production and trade of tropical timber.



CAPACITY BUILDING

Helps develop capacity in sustainable tropical forestry through workshops, trainings, and a fellowship program.

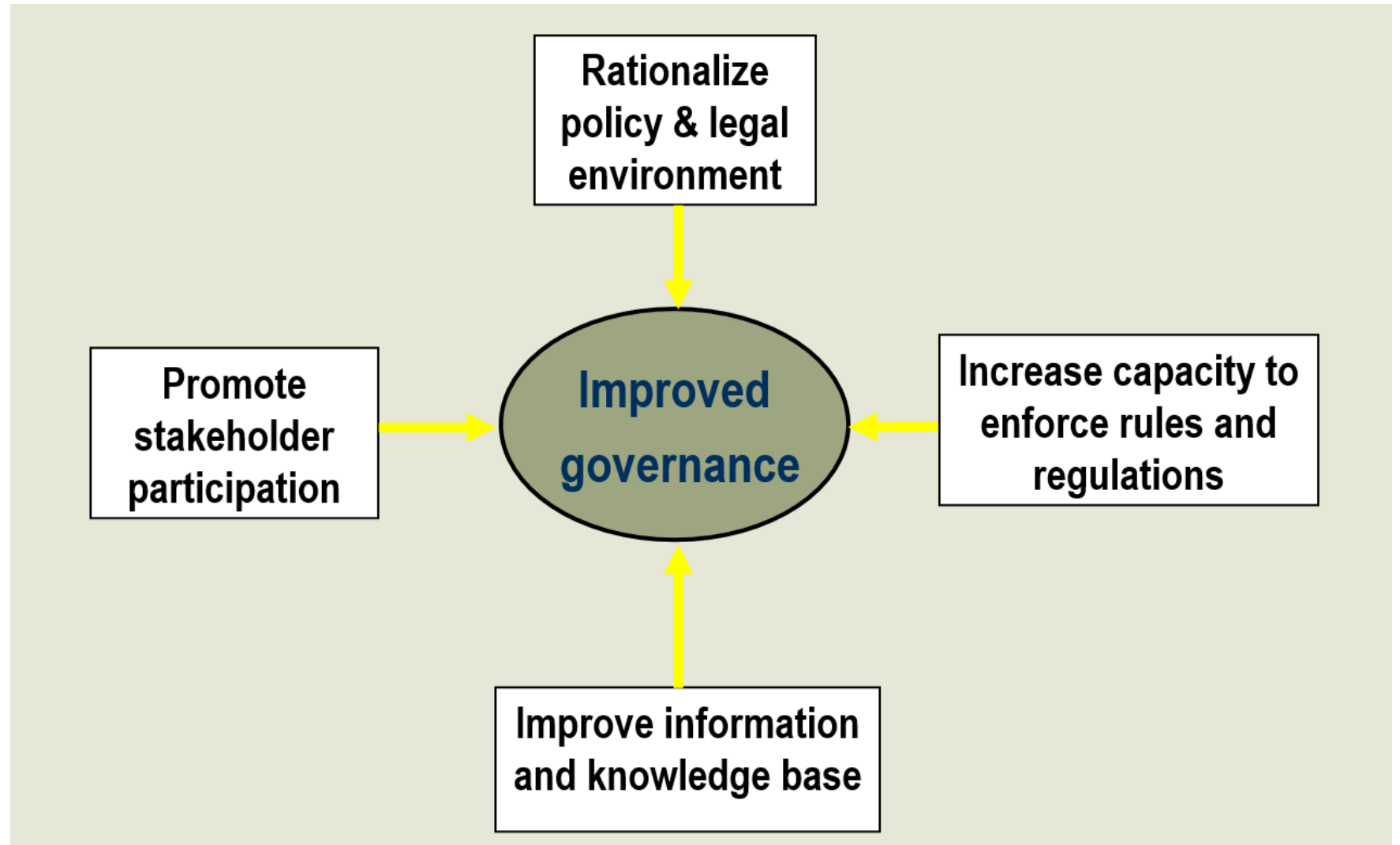
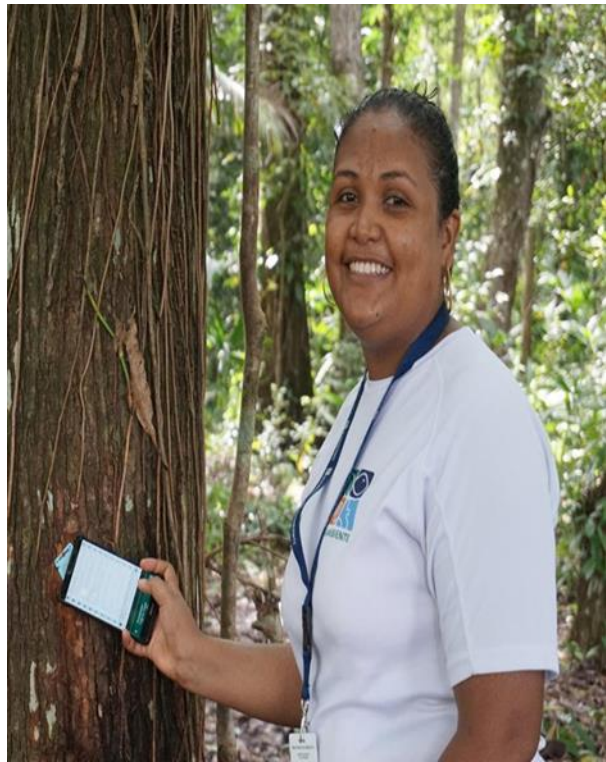
ITTO has funded more than 1200 projects/activities valued at USD 430 million, across the tropics—covering a wide spectrum of topics.

Forest legality and sustainability requirements



- A key requirement of sustainability—compliance with all legal frameworks
- Forest governance and legality requirements are meant to counter the negative impacts of illegal practices in tropical forests
- Greater need to demonstrate the legality and sustainability credentials of forest products
- Domestic and international legislations/regulations require evidence of the legality of imported timber
- More requirements are being faced by timber producers

ITTO's Approach to Forest Governance



Challenges to improve forest governance

- Demotivates good actors already implementing SFM and complying with rules and regulations.
- Puts a brake on forest investment
- Creates market distortions—illegal forest products do not reflect the real value of sustainable and legal timber and other forest products.
- Diminishes government revenues through a lack of taxation and other fees.
- Hampers efforts to promote sustainability among consumers.
- Possible negative impacts on the environment and the livelihoods of forest-dependent communities.



Remarks on forest governance



- Forest governance involves multi stakeholders to negotiate, make and enforce binding decisions about the management, use and conservation of forest resources
- It may include rules about how forests should be governed, governmental regulations about who benefits from forest resources, and traditional and customary rights
- Forest governance—fast track to sustain tropical forest—better social welfare



- Enhance tropical timber supply and value chains, from the forests to the market, to achieve legality and sustainability
- Capacities of legal and sustainable supply chain enhanced, business collaboration and networking facilitated
- Originally Funded by BMEL, Germany at initial phase (Jun 2019- Dec 2021)
- Followed by China, Japan, USA...

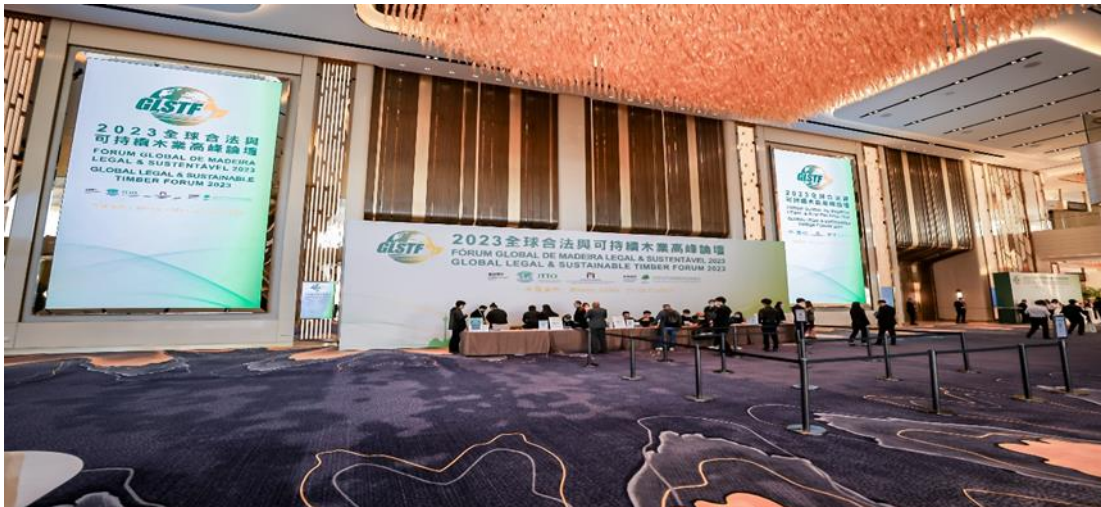
LSSC Programme: initial activities

- Supporting the establishment and operation of the Global Green Supply Chain (GGSC) Platform.
 - Study of the Blockchain-based International Timber Tracking System
 - Expand and update the Timber Trade Portal (TTP): Towards well-informed legal trade.
- Promotion of Sustainable Wood Use (Projects in Asia Pacific)
- Promotion of smallholders' forest landscape restoration in West Africa
- Development of training curricula for Central African Economies on legal and sustainable supply chains
- LSSC Online training course: <https://lsscourse.com/>



The screenshot shows a web browser at the URL lsscourse.com. The page features the LSSC Online Course logo in the top left, with navigation links for 'About', 'Forum', and 'Account' in the top right. A prominent green button labeled 'Access course' is also visible. The main content area displays an illustration of people in a forest setting, with a large text overlay that reads 'Online course on Legal and Sustainable Supply Chains'. A green button at the bottom of this overlay also says 'Access course'.

LSSC: ongoing activities



- Collaborative Framework Between ITTO and IPIM of Macao SAR, China
- Global Timber Index, **GTI**.
- Blockchain-based Timber Traceability System, **BTTS**
- Global Green Supply Chains, GGSC platform
- Promoting Sustainable Wood Use – support CPF’s initiative on SW4SW
- Global Legal & Sustainable Timber Forum, **GLSTF** (attended by average 700 participants)
 - GLSTF2023, Nov 2023 (legal supply chains)
 - GLSTF2024, Sept 2024 (EUDR)
 - GLSTF2025, Sept 2025 (emerging trade barriers)

Global Legal & Sustainable Forum (GLSTF)



- **Enhancing networking and collaboration**
business exchange among stakeholders including timber producers, buyers, the processing industry and market players, domestically and internationally
- **Promoting sustainable forest management**
support responsible forestry practices and ensure the long-term viability of forest resources
- **Building legal & sustainable supply chains**
strengthen traceability and certification systems and encourage compliance with legal frameworks

Promotion of Sustainable Wood Use



- Promotes sustainable wood use in domestic markets of India, Indonesia, Malaysia, Thailand, Viet Nam and India by improving:
 - domestic strategy/policy
 - production capacity
 - CFE's skill capacity
 - the assortment of wood products
 - the awareness of consumers
- Using wood in construction also reduces the carbon footprint of buildings/houses in comparison to other materials, meaning that wood offers great potential to revolutionize the greenhouse gas emissions of the construction industry, and in turn will help economies to fulfil their NDC.

MULTI-PRONGED APPROACH TO LSSC



Development of policy guidelines

ITTO has developed guidelines to support sustainable forest management, assisting producer members in implementing practices that ensure the conservation and sustainable use of tropical forests.

Enhancement of sustainable forest management practices

ITTO supports members in adopting sustainable forest management practices to produce timber while contributing to climate change mitigation and biodiversity conservation.

Advocacy for legal and sustainable practices

ITTO encourages international tropical timber trade expansion from legal and sustainable sources, aligning with international agreements such as the SDGs.

Changing misconceptions through communication

ITTO emphasizes the importance of conveying that sustainable timber harvesting is not synonymous with deforestation.



ITTO Tropical Forest UPDATE

Volume 26 Number 4 2017

Know your timber

The sustainable use of timber and wood products—vital to forest management, to put it another way—requires an intimate knowledge of the resource and its governance. This edition of the ITTO journal articles offers an increasing knowledge on tropical timber use, from the conservation of several tree species, promote the legality of forestry operations, and add value to products in the international marketplace.

On page 2, Forest Protection and Operations report on an ITTO project to develop a wood identification technique to assist in monitoring the mangrove trade. The technique involves the use of hand-held near-infrared spectrometers, and it has proved effective in field trials. It can distinguish not only

Near-infrared timber identification; assisting small enterprises in China to comply with CITES; Pericopsis elata in Ghana; new grading rules in Guyana; Tropical Timber Atlas; more



IT Innovations to optimize Sustainable pathways of traded tropical timber and timber products

Forestry apps—innovations at our fingertips:
Software for forest manager (Brazil); traceability system (Panama, Guatemala, Peru, China); forest fire and encroachment (Indonesia, Thailand)

Blockchain-based Timber Traceability System: relying on blockchain technology, aims at improving legality and sustainability in timber supply chains. Case studies and pilot economies in African region.

Moving forward towards 2030: key elements



- The role and contribution of tropical forests in the tropics to overcome climate challenges —must be recognized and fully supported.
- Increased governance & enforcement are essential for SFM—contribution to LSSC (enriched livelihoods and empowerment).
- **Multi-stakeholder involvement (civil society, private sector, authorities, gender mainstreaming)**—empowerment in decision-making = social, environmental and economic benefits → contributions to GFGs and SDGs.
- Increase public awareness that harvesting timber sustainably is **not** deforestation while also stimulating legal and sustainable timber supply chains.

Moving forward towards 2030: key elements



- Mechanisms for ITTO members to benefit from GEF, GCF and World Bank programmes – consortium of economies & stakeholders – work in progress
- Urging donor community to acknowledge the **CENTRALITY** of tropical forests to sustainable livelihoods and climate change mitigation & adaptation
- Urgent need for Ministries at domestic level to have **more coherent & holistic approach** – FORESTS v Other Land Uses
- **WORK** with IGOs who have the technical skills & expertise, such as the ITTO.

Thank You



<http://www.youtube.com/user/ittosfm>



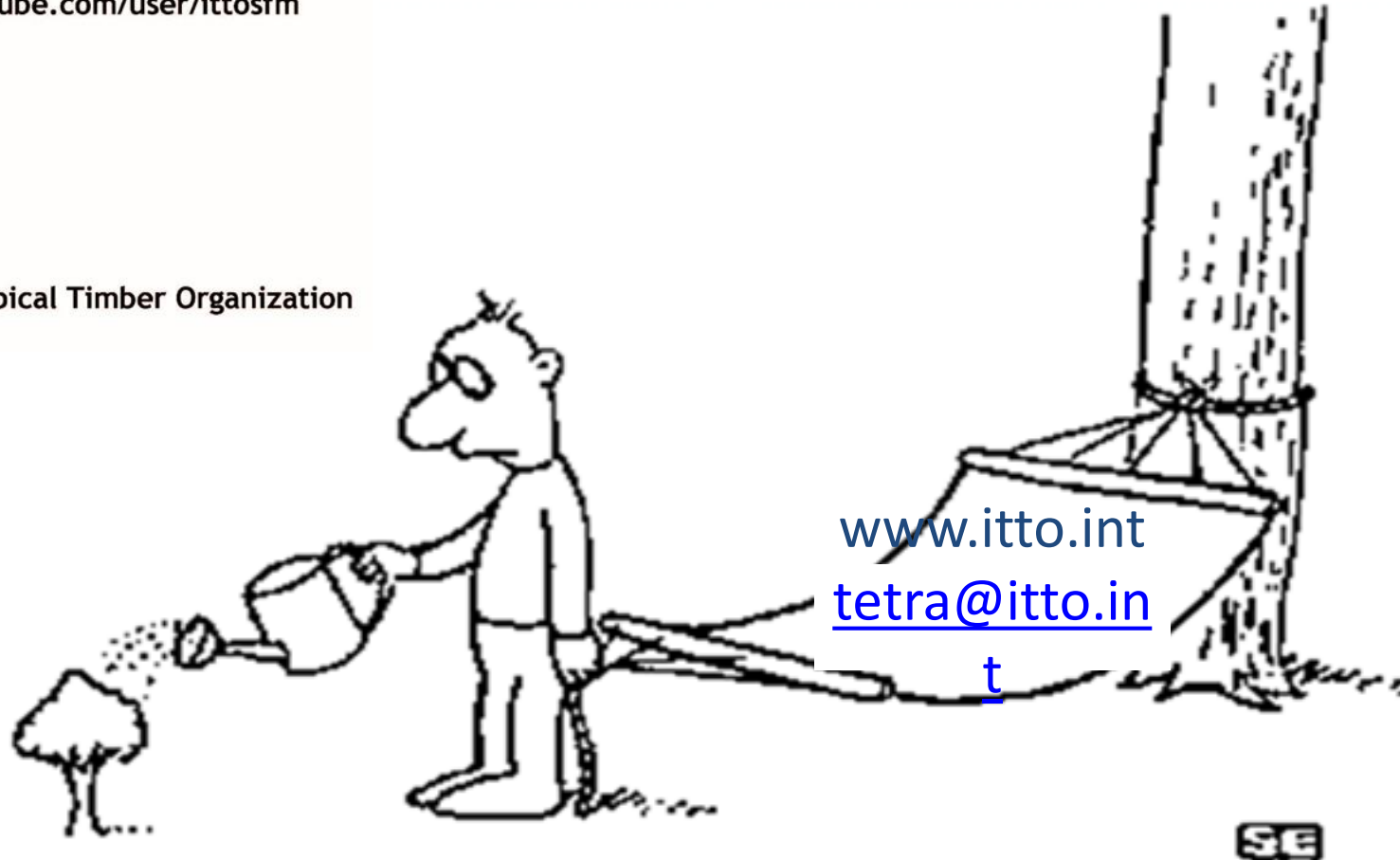
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