



# ASIA-PACIFIC FORESTRY COMMISSION

## THIRTIETH SESSION

**Sydney, Australia, 2 - 6 October 2023**

**Sustainable forests for a sustainable future**

### Executive Summary

This document introduces the Session theme “Sustainable forests for a sustainable future”. It specifically focuses on the sustainable production and consumption of wood and non-wood forest products (NWFPs) to meet the urgent need to achieve resilient, carbon-neutral, and biodiversity-friendly economies in Asia and the Pacific. It provides an overview of the topic and suggests actions to unlock the full potential of forests as suppliers of renewable carbon neutral materials, in compliance with good practices regarding legality and sustainability standards.

### Suggested Actions

The Commission is invited to recommend countries to:

- share experiences, detailing measures taken, and initiatives launched to enhance the sustainable management of forests, particularly in relation to fostering sustainable production and consumption of wood and NWFPs;
- contemplate strategies to upscale the development of NWFP value chains and strengthen existing traditional systems of use. This approach can help improve nutrition, health, and livelihoods of rural communities, aid in conserving biological diversity, and optimize the contribution of NWFPs to sustainable, nutritious, and biodiverse agri-food systems; and
- consider how the Asia-Pacific region can constructively respond to the Ministerial Call on Sustainable Wood, with the aim of markedly increasing the utilization of sustainable wood-based solutions within Nationally Determined Contributions by 2030.

The Commission is invited to recommend FAO to:

- support members, upon request and availability of extra-budgetary resources, with technical expertise to enhance the legality, sustainability, productivity and value added of wood and NWFP value chains, including in both domestic and international markets, thereby contributing to the transformation of sustainable agrifood systems and ensuring the balanced commercialization and traditional use of NWFPs;
- assist members, upon request and availability of extra-budgetary resources, to improve and facilitate access for rural producers and small and medium-sized enterprises (SMEs) to knowledge, innovation and finance and in creating conducive conditions for access to markets and inclusion in value chains; and
- encourage regional policy dialogues, facilitate technical exchanges, and build capacities to deliver solutions that promote the upscaling of sustainable wood and NWFP usage, supporting a climate-neutral and sustainable bioeconomy.

*Queries on the content of this document may be addressed to:*

**APFC Secretariat**

**Regional Office for Asia and the Pacific (RAP)**

Sheila Wertz-Kanounnikoff - [Sheila.Wertz@fao.org](mailto:Sheila.Wertz@fao.org)

## I. INTRODUCTION

1. The total forest area in Asia-Pacific Forestry Commission member countries<sup>1</sup> in 2020 amounts to approximately 18.5 percent of the global forest area. Forests in the region not only anchor vast reserves of biodiversity but are also key contributors to the livelihoods of many – including Indigenous Peoples, local communities, and smallholders – and to wider national economies. They yield a broad range of goods, including timber and NWFPs, and provide ecosystem services vital for the well-being of human societies and the planet at large. Forests form a backbone of sustainable agrifood systems but also contribute significantly to food security, nutrition, and diverse diets. Their sustainability is paramount to a balanced environment and thriving human societies.

2. At the same time, the forests of Asia and the Pacific are confronted by immediate threats. Rapidly increasing populations and escalating demands for agricultural products are exerting pressure, leading to deforestation and forest degradation in many places. The demand for timber is growing rapidly and leading to a widening timber supply gap, thus adding further pressure on forest resources. This trend is partly driven by the limited value addition to forest products, which subsequently makes sustainable management of these resources less attractive to producers and accelerates forest loss. The impacts of climate change and loss of biodiversity in the region further exacerbate the sustainability challenges for forests.

3. While forest sustainability encompasses a wide range of factors, this document will particularly focus on the sustainable production and consumption of both wood and NWFPs in the Asia-Pacific region. It aims to explore forests' potential contributions to green, low-carbon economies, and addressing sustainable consumption practices.

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<sup>1</sup> Excluding France, Russian Federation and United States.

## II. SUSTAINABLE WOOD VALUE CHAINS

4. There is increasing urgency to accelerate global momentum for sustainable production and consumption of forest products. The UNFCCC COP26 Glasgow Leaders' Declaration on Forests and Land Use committed *inter alia* to "...facilitate trade and development policies, internationally and domestically, that promote sustainable development, and sustainable commodity production and consumption, that work to countries' mutual benefit, and that do not drive deforestation and land degradation". This vision has been reaffirmed in other recent international commitments, including the Seoul Forest Declaration and the Ministerial Call on Sustainable Wood at the XV World Forestry Congress. Likewise, FAO members from Asia-Pacific requested dedicated attention to this topic, echoing the growing recognition of the critical importance of sustainable wood value chains within the international policy discourse.<sup>2</sup>

5. In the Asia-Pacific region, this understanding of the need for sustainable production and consumption of forest products has been reflected in transformative national efforts, as documented in the Third Asia-Pacific Forestry Sector Outlook Study<sup>3</sup> (APFSOS III). This study underscored examples of ongoing initiatives in countries, including Thailand and the Philippines, to steer wood industries towards more sustainable practices. These efforts, which foster carbon neutrality, stimulate economic recovery, and promote rural growth, are pioneering contributions to the development of sustainable bioeconomies.

6. Sustainable production of wood includes the sustainable management of remaining natural forests as a vital component. Through careful planning, monitoring, and implementation of sustainable logging practices, many of these forests can continue to provide timber without compromising their ecological integrity. Simultaneously, forest and landscape restoration, including agroforestry, can contribute to rebuilding forest and tree resources and enhancing future wood supplies. These practices are not just about timber production; they deliver multiple benefits including ecosystem services, preservation of landscape values, enhancement of agrifood systems, and conservation of biodiversity. The Asia-Pacific region, with its diverse forest ecosystems and strong reliance on forest resources, is at the forefront of exploring these potentials.

7. Meeting the region's timber needs involves a multifaceted approach and cannot depend exclusively on natural forests and restoration efforts. Both natural and planted forests have significant roles to play in this context, and their effective management is key. Smallholder farmer and community-managed forests (often termed 'community forestry') can significantly contribute to timber supplies while supporting local livelihoods and biodiversity conservation. For instance, in Nepal, Community Forest User Groups are managing more than 30 percent of the country's forest land, and they provide the major source of wood in the local market.<sup>4</sup> Planted forests continue to meet a significant proportion of the region's increasing timber demands, thereby alleviating pressure on natural forests. Nevertheless, sustainable management of planted forests is crucial to prevent potential negative effects on biodiversity and local communities. Sustainable wood solutions must also fundamentally be grounded in the implementation of sustainable forest management (SFM) principles. The Asia-Pacific region has made significant progress in improving forest governance and management to facilitate sustainable wood provision.<sup>5</sup>

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<sup>2</sup> APRC/22/REP; APFC/29/REP

<sup>3</sup> FAO. 2019. Forest futures – Sustainable pathways for forests, landscapes and people in the Asia-Pacific region. Asia-Pacific Forest Sector Outlook Study III. Bangkok. 352 pp. <https://www.fao.org/3/ca4627en/ca4627en.pdf>

<sup>4</sup> Acharya, K.; Talpă, N.; Hălălișan, A.F.; Popa, B. The Way Forward for Community Forestry in Nepal: Analysis of Performance against National Forestry Goals. *Forests* **2022**, *13*, 726. <https://doi.org/10.3390/f13050726>

<sup>5</sup> FAO. 2020. *Global Forest Resources Assessment 2020: Main report*. Rome. <https://doi.org/10.4060/ca9825en>

8. On the consumption side, sustainable use of wood resources is an integral part of the growing bioeconomy. Long-lived products contribute to long-term carbon storage and provide ecologically-friendly, biodegradable, renewable alternatives to many other non-renewable materials. As awareness of the vital need for sustainability grows, consumer preference for sustainably sourced wood is increasing.<sup>6</sup> This preference can, in turn, spur enhanced and more resilient livelihood opportunities for forest-dependent people, including Indigenous Peoples, local communities, women, youth and marginalized groups. The development of sustainable value chains and a vibrant bioeconomy should be based on legal and sustainable supplies of raw material. Connecting forest producers with consumer markets is crucial. In Asia and the Pacific, SMEs play a significant role in the forest sector. Their engagement is essential for promoting sustainable wood value chains, from SFM and timber harvesting to the creation of value-added wood products.

### III. SUSTAINABLE NON-WOOD FOREST PRODUCTS VALUE CHAINS

9. NWFPs make significant contributions to health and livelihoods, contributing to the well-being of over half the global population. Ranging across building and traditional craft materials, foodstuffs, fodder, fiber, and medicinal plants, these resources are important for the development of local communities, providing essential sources of income, food security, and traditional medicine. Globally, NWFPs form the foundation of multi-billion-dollar industries linked to cosmetics, food, health, and wellness.<sup>7</sup> Plant-based NWFPs especially are increasingly vital to the region's growing bioeconomies, providing sustainable food and agriculture sources. Besides their economic significance, NWFPs also contribute greatly to food security and nutrition, especially for those living near forests, in remote tropical and subtropical areas. Particularly in Asia, where over 90 percent of rural households are estimated to use NWFPs<sup>8</sup>, specific products hold regional significance. For instance, in the Himalayan region, medicinal and aromatic plants collected and sold by communities support local livelihoods. Similarly, rattan and bamboo in Southeast Asia are economically significant NWFPs, providing incomes for millions of people.

10. However, the invaluable contributions of NWFPs are often perceived to be less economically attractive compared to agricultural production. Strategies to increase food production often compete with efforts to conserve forests and sustainably harvest NWFPs, threatening the health of forest ecosystems and potentially reducing the availability of these valuable resources. Land-use changes, deforestation, and habitat fragmentation associated with industrial agriculture can lead to dwindling availability of many NWFP species that may have traditionally contributed to livelihoods for poorer rural people.

11. Adding to these challenges, policy gaps and lack of institutional support also threaten the NWFP sector. In many instances, NWFP industries lack robust policy frameworks and government support. Many NWFPs are subsistence goods or traded in informal markets and their socio-economic importance may, consequently, be overlooked in national accounts and national planning, policy and legislative frameworks. NWFPs are often harvested from public forests and harvesting is not always effectively organized and sustainable. This highlights the importance of stronger tenure arrangements, such as management and harvesting rights for community forestry and smallholder farmers, and organized access to national parks, public forests, and forest concessions. There is also a need to balance the incomes and benefits

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<sup>6</sup> Quang Hung Vuong 2022 IOP Conf. Ser.: Earth Environ. Sci. 1121 012003. <https://iopscience.iop.org/article/10.1088/1755-1315/1121/1/012003/pdf>

<sup>7</sup> FAO and Non-Timber Forest Products-Exchange Programme. 2020. *Naturally beautiful – Cosmetic and beauty products from forests*. Bangkok. <https://doi.org/10.4060/ca8590en>

<sup>8</sup> Shackleton C.M. and de Vos A. 2022. How many people globally actually use non-timber forest products? For. Policy Econ., 135 (2022), Article 102659. <https://doi.org/10.1016/j.forpol.2021.102659>

derived from NWFPs with other forest rents like wood and Payment for Ecosystem Services (PES) to ensure that forest values and contributions are fully recognized and forestry is properly appreciated as a competitive land use compared to agriculture. This necessitates policies and strategies that take into account unique aspects of NWFP management and harvesting practices.

12. Transitioning towards sustainable and higher value added production NWFP value chains is an essential step, even if often challenging in practice. Sustainable value chains focus not only on economic aspects of production, but also on environmental, social, and cultural aspects. In Asia and the Pacific, significant opportunities exist to harness sustainable NWFP value chains to enhance livelihoods, foster rural development, improve forest management, strengthen biodiversity conservation, and promote cultural heritage. Ensuring sustainability requires addressing entire value chains – from harvesting to processing, marketing, and consumption. This includes building capacities to implement sustainable harvesting practices, introduce innovations that enhance value added and efficiency. It also includes improving quality and safety standards, promoting both international and national or private verification (legality) and certification (sustainability) schemes, and creating supportive regulatory environments. One example is the FAO hosted Sustainable Wildlife Management (SWM) Programme, which supports the development of innovative, collaborative, and scalable solutions to wildlife use, ensuring the conservation of wild animals and the protection of ecosystems, while simultaneously improving the livelihoods of local communities.

#### **IV. OPPORTUNITIES FOR UPSCALING SUSTAINABLE PATHWAYS**

13. Creating a sustainable future demands a collective effort. It is essential to recognize the significant roles of producer organizations and the private sector in generating and participating in dialogues about sustainability and in shaping policies and norms that impact forest resources.<sup>9</sup> As catalysts of change, these organizations can encourage shifts towards sustainable and higher value-added production practices and responsible consumption behaviors. They are also important drivers of innovation and investors. Given its status as a major producer and consumer of forest products, the Asia-Pacific region has an important role to play in fostering sustainability within the global forestry sector. By facilitating the sharing of ideas, lessons, and strategies, these platforms can foster greater regional understanding of sustainability and provide opportunities for collaboration, innovation, and progress.

14. The transition towards sustainable forestry hinges on creating enabling conditions, including sound governance, adequate knowledge and finance, and supportive incentives for sustainability innovations. A variety of important instruments and processes have been developed to support and promote this transition. For example, certification for SFM and harvesting is a cornerstone of the transition. It provides assurance that wood products are sourced from responsibly managed forests, contributing to conservation efforts, and supporting sustainable livelihoods. In addition to global forest certification programmes, national standards and certification schemes have also emerged in several countries in the Asia-Pacific region. However, scaling up certification efforts presents both challenges and opportunities. These include the need to enhance capacity, address affordability issues, and ensure the credibility of the certification processes.

15. International markets are increasingly demanding legal and sustainable wood products. A variety of national and regional initiatives are playing key roles in shaping this demand. These include Australia's Illegal Logging Prohibition Act, the European Timber Regulation,

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<sup>9</sup> FAO. 2022. *The State of the World's Forests 2022. Forest pathways for green recovery and building inclusive, resilient and sustainable economies*. Rome, FAO. <https://doi.org/10.4060/cb9360en>

the US Lacey Act, China's Forestry Law, South Korea's Act on the Sustainable Use of Timbers, and Japan's Act on Promoting the Distribution and Use of Legally Harvested Wood and Wood Products (also known as the Clean Wood Act). The new EU Deforestation Regulation, which will replace the EU Timber Regulation and is expected to enter into force by late 2024, will require imported timber to be “deforestation-free” thus adding sustainability to the earlier legality requirement. Continued or increased access to these more demanding, but also rewarding, markets presents an opportunity to promote more sustainable production and associated value addition, fostering greater sustainability within the regional and global forestry sector.

16. In the face of increasing demand for sustainable value chains, innovative financing mechanisms are crucial for the transition towards sustainable forestry. A significant initiative is the Expert Group on Illegal Logging and Associated Trade (EGILAT) under the Asia-Pacific Economic Cooperation (APEC), which focuses on promoting legal trade and sustainable management in the forest sector. Facilitating access to finance for sustainable SMEs can drive economic growth while promoting sustainability. For instance, the Asian Development Bank's Trade and Supply Chain Finance Program supports SMEs by extending loans and offering guarantees to financial institutions, thereby contributing to the development of green, resilient, inclusive, transparent, and socially responsible trade and supply chains.

17. Technological advancements and innovative practices can further support SFM and wood value chains. Innovations in forest monitoring, efficient harvesting techniques, and value-added processing can boost productivity, improve sustainability, and enhance the competitiveness of wood products. Similarly, sustainable sourcing, value chains, and technology for NWFPs are important for increasing the economic viability and value added of these products. These measures can enhance the value of NWFPs, provide sustainable livelihood opportunities for local communities, and contribute to conservation efforts.

18. Communities play a crucial role in sustainable forestry, on both the supply and demand sides. Their participation in sustainable wood supply and NWFPs is essential for incorporating traditional knowledge into SFM, ensuring that forestry practices meet their livelihood needs, and contribute to the conservation of biodiversity. At the same time, public awareness campaigns have been instrumental in shifting attitudes and behaviors towards sustainable consumption. A notable recent initiative is the "Grow the Solution" campaign, which promotes the recognition and utilization of sustainable wood in policy-making, investment decisions, and consumption patterns. The “Sustainable Wood for a Sustainable World (SW4SW)” initiative,<sup>10</sup> a coalition under the Collaborative Partnership on Forests (CPF), aims to promote global dialogue and local action for the enhancement of sustainable wood value chains, the use of sustainably sourced wood in bioenergy, raising awareness of the benefits of sustainably managed forests, and strengthening partnerships for the sustainable use of forest resources.

19. Finally, the establishment of supportive policies, guidelines, mechanisms, and processes is essential for upscaling the use of sustainable wood and NWFPs. Building adequate knowledge and capacities as well as collaboration and experience-sharing will be key. By fostering regional cooperation, partnerships, and knowledge exchange, the Asia-Pacific region can build a robust roadmap for the upscaling of sustainable wood and NWFPs, thereby effectively positioning itself as a leader in sustainable forestry.

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<sup>10</sup> <https://www.fao.org/forestry/50492-0f7cd4bc9a184ea73e0ebbbe8176c6ed1.pdf>