



UNFF Panel
**'The Financial Crisis and Sustainable
Forest Management: Threat and
Opportunity'**

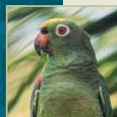


Statement by Emmanuel Ze Meka
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INTERNATIONAL TROPICAL TIMBER ORGANIZATION



Objective 1. Extent of the crisis



- Hard to forecast
- Depression?
- Growth in tropical developing countries unlikely to keep pace with population growth and need for employment



Objective 2a. Impacts on forests



- More subsistence pressure
- Possible reduction in industrial pressure
- Increase in illegal activities
- Risk of reversal/slowing of 2 decades of progress in SFM



Objective 2b. Impacts on financial flows/investments



- Investments in tropical forests already low
- ODA, CSR and carbon related funding likely to decline or be less than hoped for
- Timber revenues also declining due to falling prices/demand
- Tropical forests and wood products remain compelling investments, need to promote/make the case



Objective 2c. Impacts on livelihoods



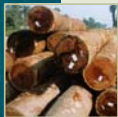
- Increased unemployment & poverty imply increase in subsistence
- Community forestry progress likely to slow
- Industry severely affected already in some countries
- Tropical countries have less capacity for alternate employment/stimulus programs



Objective 2d. Impacts on economic recovery/environmental sustainability



- Developed country stimuli unlikely to directly impact tropical countries
- 'Green building' programs likely to exclude tropical timber from many countries
- Domestic demand/non-traditional markets will be more important
- Tropical country stimulus packages still being developed





Objective 3. New/additional financing



- 'New/additional' = climate related
- Some funds already flowing, future flows likely to be impacted by crisis
- Tropical countries should develop SFM strategies not overly dependent on external financing



What to do?



- Raise awareness of crisis and measures to ameliorate impacts in most vulnerable countries
- Tropical countries can undertake fiscal measures and develop stimulus packages (ensure forestry included)
- Monitor impacts of developed country actions on developing countries
- Keep working towards SFM

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Thank you for your attention!