

FORESTS IN THE ECE REGION

Trends and challenges in achieving the global objectives on forests



United Nations
Economic Commission
for Europe



Food and Agriculture
Organization of the
United Nations

BACKGROUND

The study is a contribution to UNFF11

The mandate came from ECE Committee on Forests and the Forest Industry and FAO European Forestry Commission

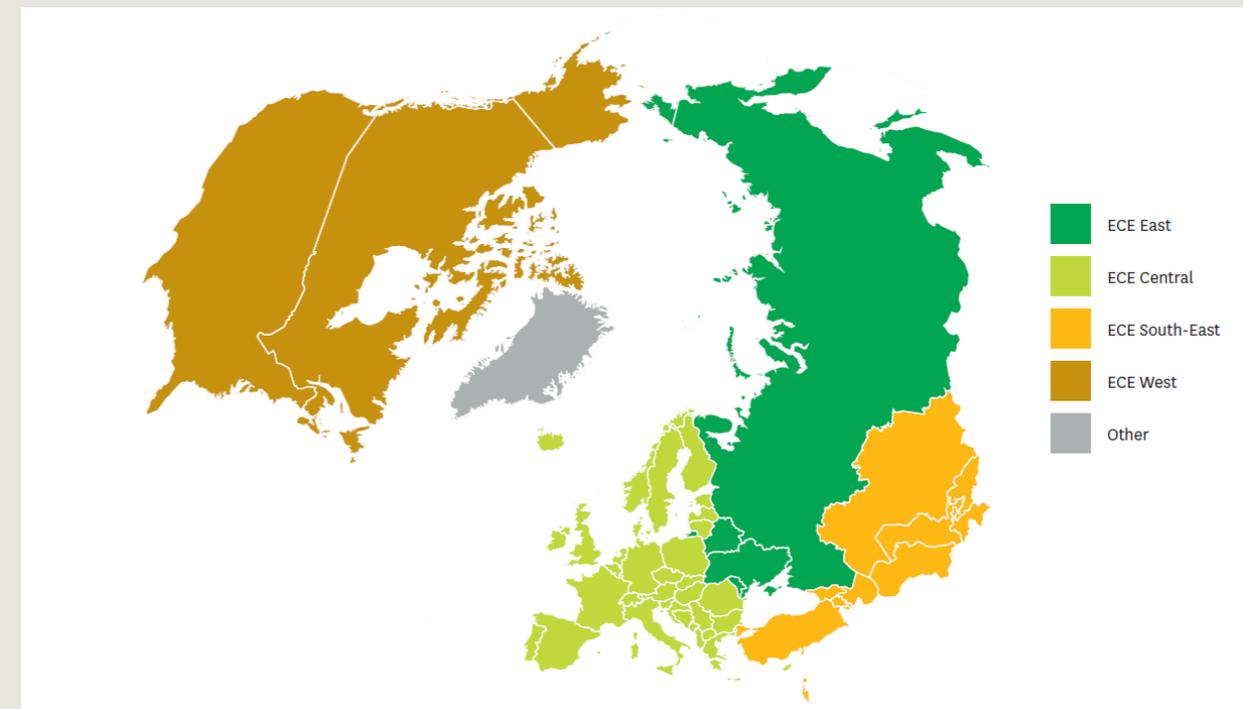
Work led by a small expert team, reviewed by countries

It uses best available data (no special enquiry): FAOSTAT, FRA 2010, pan-European reporting, national data and other sources

Thanks to Governments of Finland, Germany, Russia, Switzerland, USA, as well as to expert community

The study breaks down the global objectives into questions which can be answered in an objective way

The ECE Region



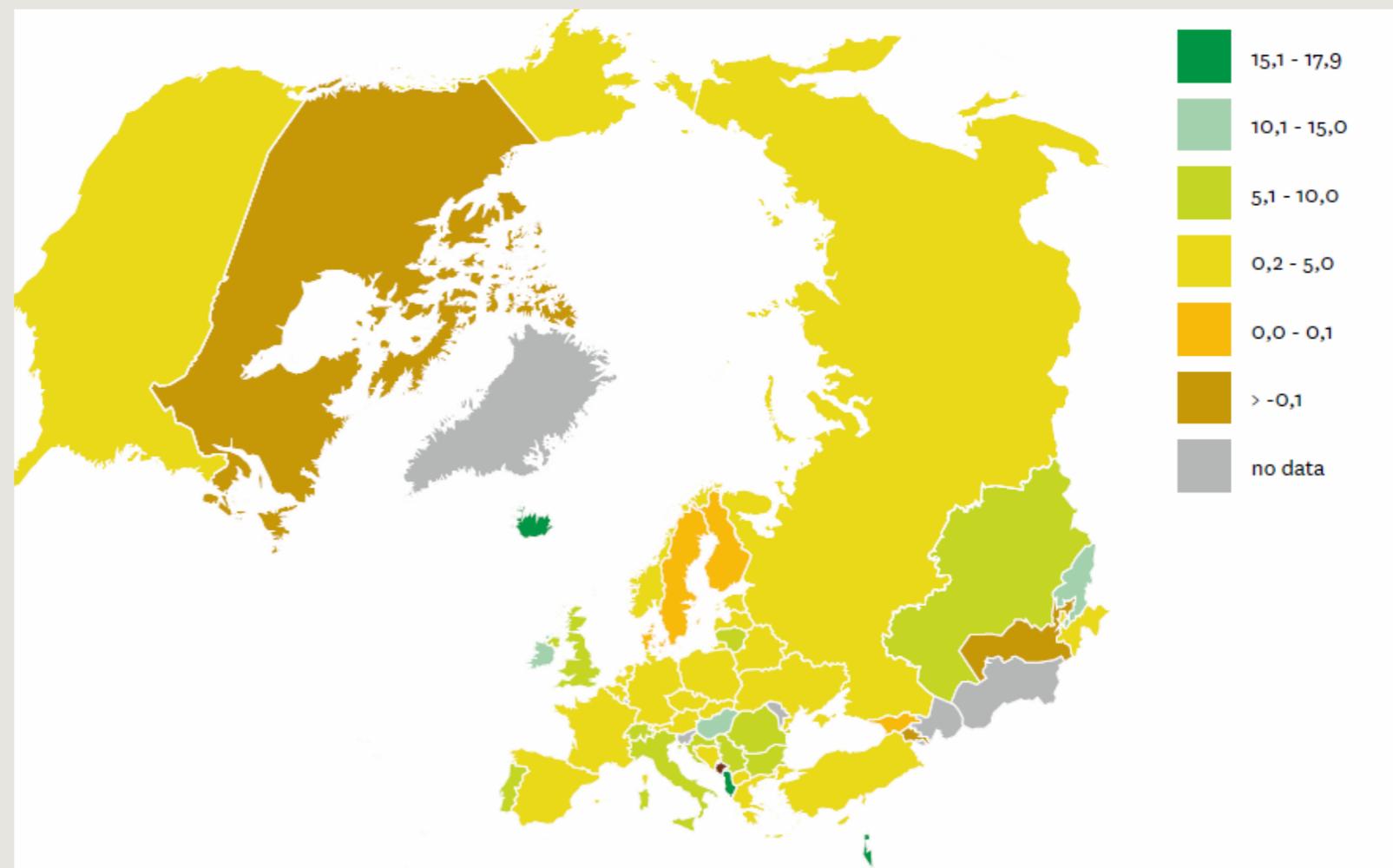
Global objective 1:
reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation



HAS FOREST COVER EXPANDED OR DECLINED?

- ECE Region forest area increased by 28 million ha (1.5%) between 2000 and 2015.
- Mostly natural expansion onto agricultural land, also some afforestation under public programmes

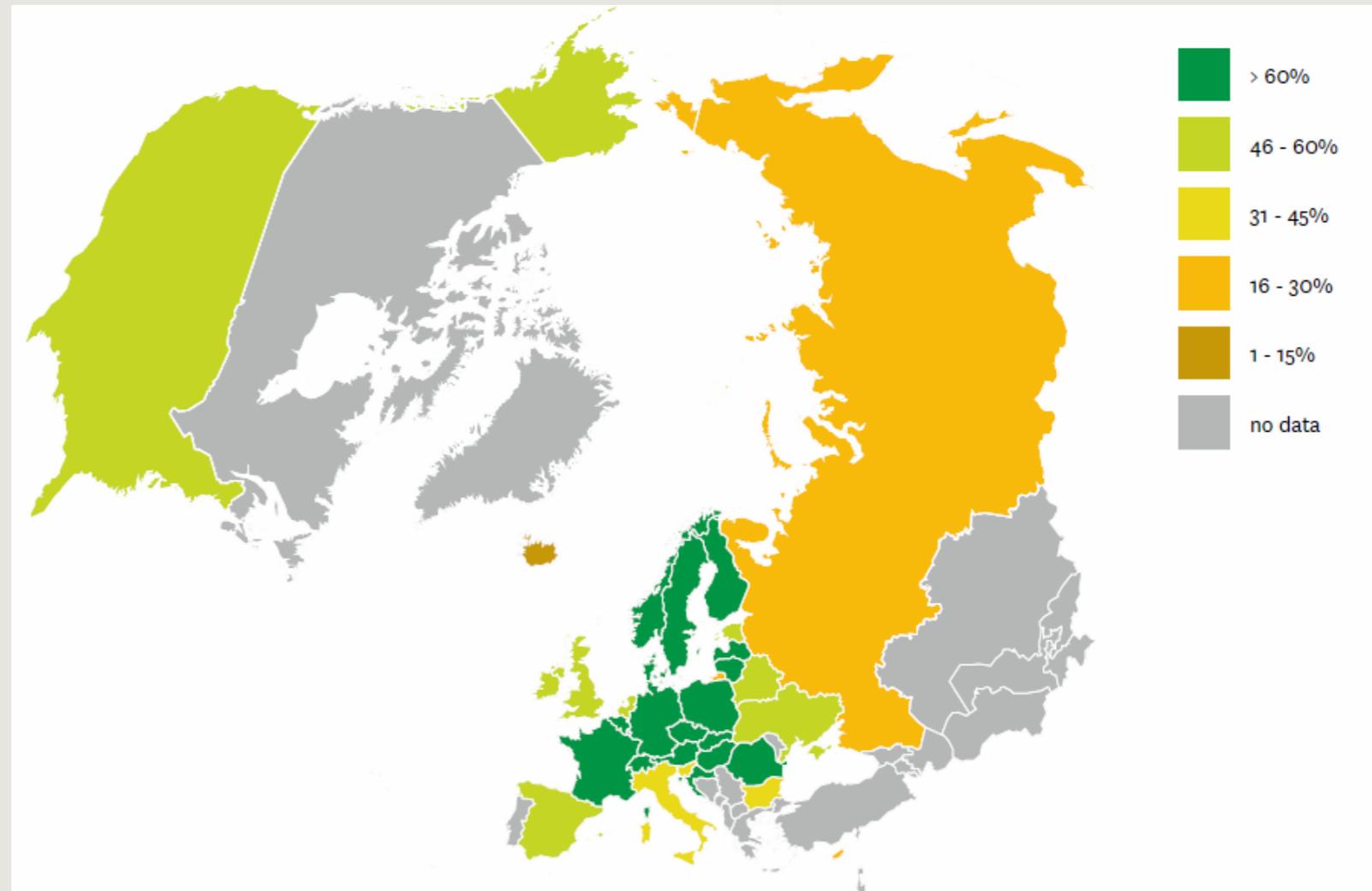
ECE Region. Percent change in forest area between 2000 and 2015



ARE THE FORESTS EXPANDING IN TERMS OF WOOD?

- Growing stock, total and per hectare, has been increasing steadily
- Net annual increment has risen, and is more than harvest in all countries where this parameter is measured.

Ratio of fellings to net annual increment, 2010



WHAT IS THE AREA OF SUSTAINABLY MANAGED FOREST?

Three approaches to measuring the area of sustainably managed forest:

- **Management plans:** 80% of ECE Region forests are already covered by a management plan or equivalent
- **Certification:** 383 million ha under PEFC and/or FSC, + 52% in 7 years. 22% of ECE forests certified, 61% in ECE Central, 33% in ECE West. 88% of world's certified forests are in the ECE Region
- **Criteria and indicators processes:** membership in processes such as Montréal Process and FOREST EUROPE is an indication of policy concern for SFM. Almost all ECE countries are members of one or more processes

Conclusion: sustainable forest management is important to governments and forest managers in the ECE Region, and there has been significant progress in demonstrating SFM



HOW MUCH « FOREST DEGRADATION »?

Major problems of definition and measurement, but:

- Growing stock/hectare rising (indicates overcutting not widespread)
- Damage by fire (6-7 million ha/year)
- Insects and diseases (>30 million ha)
- Weather events becoming more frequent
- Fragmentation due to urban expansion
- Pollution by mining, nuclear radiation, war (e.g. landmines)



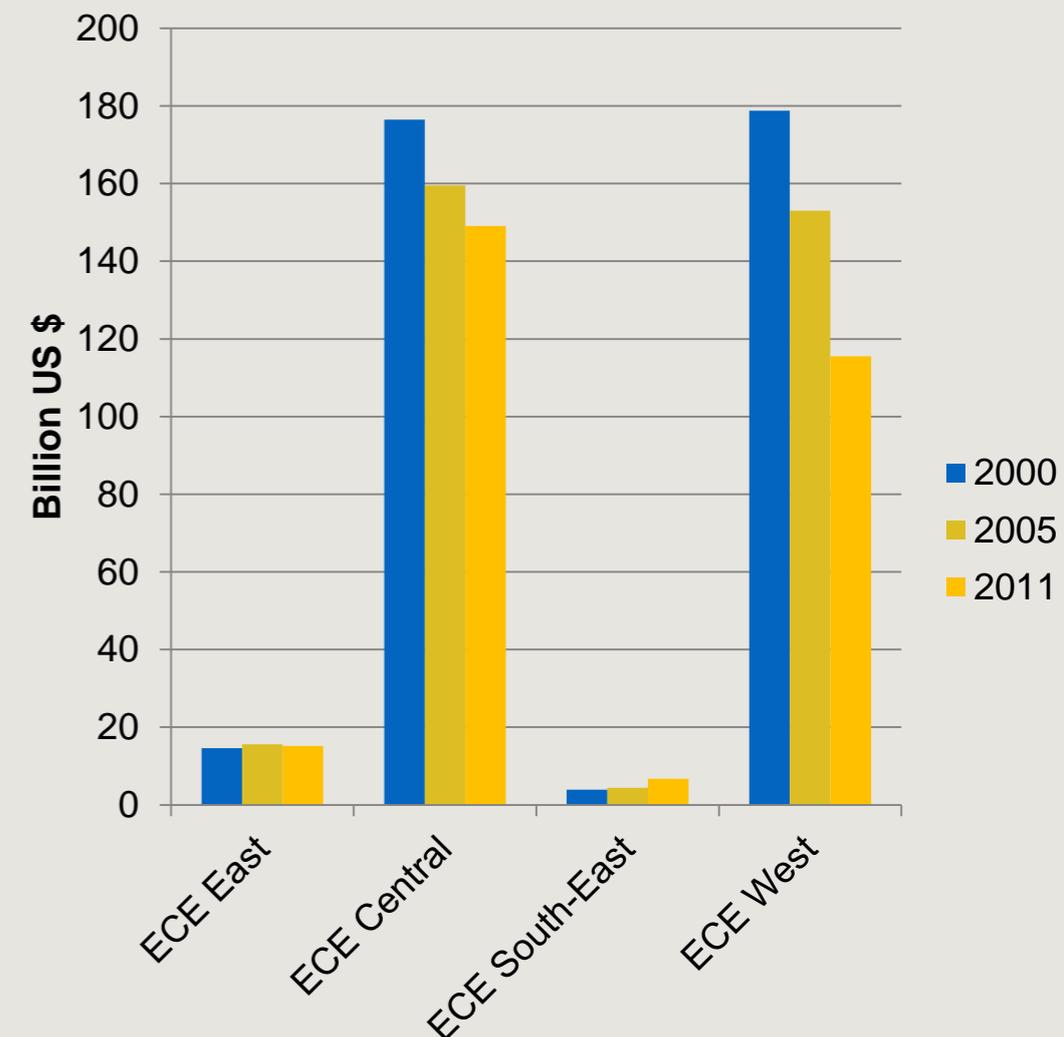
**Global objective 2:
enhance forest-based economic,
social and environmental
benefits, including by improving
the livelihoods of forest
dependent people**



HAVE ECONOMIC BENEFITS FROM ECE FORESTS INCREASED OR DECREASED?

- Total income generated by the forest sector has declined 23 percent since 2000
- Employment in the forest sector has fallen by a similar amount, with particularly sharp declines in ECE West following the 2008 recession
- Though very difficult to measure, economic activity associated with forest-based recreation and tourism has probably increased significantly
- Forests remain a source for non-wood forest products

Total income generated by forest sector (incl. industry)



HAVE SOCIAL BENEFITS FROM ECE FORESTS INCREASED?

Precise definition and quantitative measurement is difficult, but:

- Significant increases in the use of forests by citizens is likely, given increases in population, income, leisure time and mobility
- The social benefits of forests are increasingly considered in forest planning and management activities
- However, forest degradation and biodiversity loss may compromise the provision of social benefits
- Safety and health of workers are an ongoing cause of concern



HAVE ENVIRONMENTAL BENEFITS FROM ECE FORESTS INCREASED?

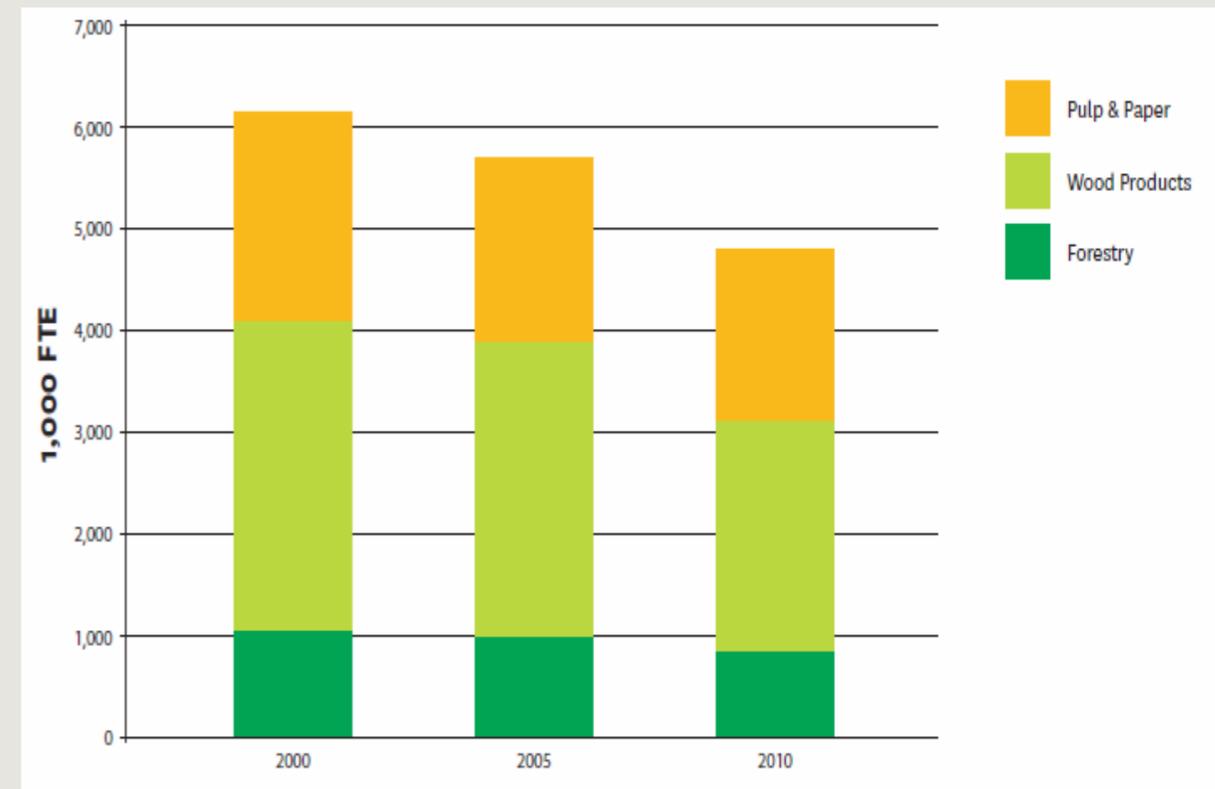
- Area of protected forest increasing
- Environmental benefits are increasingly considered in forest planning and management activities
- Conservation credit exchanges and payments for ecosystem services are much discussed but still relatively rare in practice
- Elevated forest disturbance processes and forest fragmentation from development are threatening forest biodiversity and the provision of environmental benefits



HAVE LIVELIHOODS OF FOREST DEPENDENT PEOPLE IMPROVED?

- Long-term declines in forest employment were significantly accelerated by the 2008 recession (particularly in ECE West)
- The fall in employment is especially damaging to remote forest-dependent communities.
- Rural depopulation and endemic poverty affect many remote forest communities
- Issues with indigenous peoples involving land ownership, traditional rights, and poverty are ongoing
- Many forest owners have small holdings that lack economies of scale and therefore economic viability

Employment in the ECE Region forest sector



DOES THE FOREST SECTOR CONTRIBUTE TO CLIMATE CHANGE MITIGATION?

- Forests sequester carbon and store it over long periods. Over ten years, ECE forests sequestered about 13 billion tons carbon, worth about \$130 billion (at a price of \$10/ton carbon)
- Wood products store carbon over their life in use
- Forest products may substitute for non-renewable materials
- Wood energy may substitute for fossil fuels
- There is potential to develop all of these strategies, but trade-offs with other forest management objectives (e.g. biodiversity conservation) must be considered



**Global objective 3:
increase significantly the area of
protected forests worldwide and
other areas of sustainably
managed forests, as well as the
proportion of forest products from
sustainably managed forests**



HAS THE AREA OF FORESTS PROTECTED FOR BIODIVERSITY CONSERVATION INCREASED?

- The area of forests protected for biodiversity has increased over 20 years, to about 12% in 2015
- In some ECE countries, international commitments, notably the Aichi targets, are being approached, but in others much remains to be done
- Integrated forest management approaches, emphasizing biodiversity, have expanded in the ECE Region
- There is more deadwood standing and lying in ECE Region forests than when this parameter was first measured.



HAS THE SHARE OF CONSUMPTION OF PRODUCTS FROM SUSTAINABLY MANAGED FORESTS INCREASED?

- Estimated supply of wood from certified forests has increased strongly (+30% between 2007 and 2013)
- Number of chain-of-custody certificates has grown even faster
- Public sector initiatives (EUTR, Lacey Act) are promoting consumption of sustainably produced wood products and discouraging unsustainably produced products
- Green public procurement rules changed to allow preference for sustainably produced products, such as wood
- Green building initiatives, green private procurement



Global objective 4:

reverse the decline in official development assistance for sustainable forest management and mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management



WHAT ARE THE TRENDS FOR OFFICIAL DEVELOPMENT ASSISTANCE FOR SFM?

- Annual bilateral ODA to forestry from ECE countries was \$1 billion in 2011-2012, more than five times the volume of 2005-2007
- In 2009-2012 ECE countries represented 75-80% of total bilateral forestry ODA
- It can be assumed that part, if not most, of the increase has been « new and additional »
- ODA for forestry is also reported under other headings such as climate change (e.g. REDD+)
- Multilateral development assistance is not included in these figures

ODA for the forest sector
(Derived from OECD DAC data)



WHAT FINANCIAL RESOURCES, FROM ALL SOURCES, HAVE BEEN SUPPLIED FOR SFM INSIDE THE ECE REGION?

- **Domestic public** financing: budgets for state forest organisations, support to R&D, transfer payments (subsidies) to private owners
- **Payment for environmental services** being developed slowly
- Most private financing is from **forest owners themselves**, notably through the re-investment of revenue from wood sales
- Investment from **private financial institutions** (TIMOs, pension funds etc.) is rapidly growing in importance.
- Impossible at present to quantify total financial resources or to monitor trends at international level



Challenges and opportunities for the ECE Region in implementing the Global Objectives



CHALLENGES AND OPPORTUNITIES 1/3

1. Protect the forests
2. Contribute to climate change mitigation through carbon sequestration and storage in forests and products, and through substitution.
3. Mobilise significantly more wood for energy, on a sustainable basis
4. Exclude all unsustainably produced forest products from ECE Region markets, while helping countries outside the region to fight illegal logging and other unsustainable practices
5. Promote the consumption of sustainably produced forest products



CHALLENGES AND OPPORTUNITIES 2/3

6. Take the lead in developing the green economy, sharing experience with other sectors, and learning from them
7. Put the forest work force on a sustainable basis, dramatically improving safety and health of forest workers, and providing necessary skills for a changing world
8. Continue to help countries in other regions achieve sustainable forest management
9. Seek mechanisms to finance forest functions on a fair and sustainable basis, for example through valuation of forest benefits and payment for ecosystem services



CHALLENGES AND OPPORTUNITIES 3/3

10. Build capacity throughout the ECE Region
11. Develop a culture of innovation, in the face of structural change
12. Address the social and economic problems of forest dependent people in the ECE Region – remote rural communities, indigenous peoples and forest owners
13. Maintain and improve forest biodiversity, through protected areas and active management



LESSONS LEARNED

- The Global Objectives do not facilitate monitoring and reporting
- We used specific questions: would the approach work elsewhere?
- No specific enquiry was needed: existing international datasets may be used
- A light approach, but with official review and consultation, combined flexibility, transparency and focus
- No judgements attempted: readers draw their own conclusions
- Regional approach complements other scales, can mobilise resources, expertise and regional bodies
- The process helped to identify challenges and issues. It could help in formulating future instruments



THANK YOU



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