Measuring progress of the forest sector towards a green economy: some proposals

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Outline

Introduction
Background on the forest sector and the green economy
Two approaches
Six areas of measurement and some proposed indicators
Green national accounts
Major research needs
Next steps
Introduction

• Need to measure progress of the forest sector towards a green economy recognised by Action Plan
• Measurement should be, if possible, objective, quantifiable and meaningful for policy makers
• Questions for the panel:
  • How to measure « greenness »?
  • What to do next?
  • Next steps
• Only preliminary proposals for the discussion
• Measurement of progress ≠ monitoring implementation of AP
Concepts underlying the green economy

• Integration of externalities into decision making (payment for ecosystem services, « green national accounts »)
• Efficient use of all resources, including raw material, energy, carbon, ecosystems
• Sustainability over time
• Social balance

This list used as framework for the paper
Green economy => holistic approach
Progress to a green economy ≠ SFM

All of society v. one sector
SFM C&I sets useful, but not enough:
• Integration of externalities, efficiency of resource use, social balance not fully covered
• Some SFM concepts not central to green economy
Two approaches:

Base on forest sector Action Plan (see annexes 1 and 2)
Start from broader green economy indicator sets (OECD, UNEP, World Bank), try to apply them to the forest sector (see annex 3)
Measurement based on the Action Plan

Eight principles and five pillars distilled to five headings for measurement:

• Sustainable and efficient use of natural resources
• Low carbon forest sector
• Sustainability of the work force
• Integration of externalities and payment for ecosystem services
• Good governance and evidence based decision making
Six main areas of measurement proposed

1. Conservation of natural capital
2. Multi factor productivity and efficient use of resources
3. Contribution to climate change mitigation/Low carbon forest sector
4. Integration of externalities and payment for ecosystem services
5. Sustainability of the forest sector work force
6. Good governance and evidence based decision making

PLEASE DISCUSS
### Some possible indicators (1)

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td><strong>Conservation of forest natural capital</strong></td>
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<tr>
<td>1.1</td>
<td>Change in forest natural capital</td>
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<td>2</td>
<td><strong>Multi-factor productivity and efficient use of resources</strong></td>
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<tr>
<td>2.1</td>
<td>Material productivity in the forest sector</td>
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<td>2.2</td>
<td>Energy productivity in the forest sector</td>
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<td>2.3</td>
<td>Recovery rates for paper and wood products</td>
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<td>3</td>
<td><strong>Low carbon forest sector</strong></td>
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<tr>
<td>3.1</td>
<td>Carbon stocks and flows in forest and harvested wood products</td>
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<td>3.2</td>
<td>Share of wood energy in total primary energy supply</td>
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<td>3.3</td>
<td>A measure of cascaded use</td>
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<td></td>
<td>Some possible indicators (2)</td>
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<tr>
<td>4</td>
<td><strong>Integration of externalities and payment for forest ecosystem services</strong></td>
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<tr>
<td>4.1</td>
<td>Value of ecosystem services provided by forests</td>
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<td>4.2</td>
<td>Systems in place for PES: number/value of systems</td>
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<tr>
<td>4.3</td>
<td>Value of forest-related carbon markets</td>
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<td>5</td>
<td><strong>Sustainability of the forest sector work force</strong></td>
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<td>5.1</td>
<td>Occupational safety and health of the forestry work force</td>
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<td>5.2</td>
<td>Investment in education and training</td>
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<td>5.3</td>
<td>Number of « decent green jobs » in the sector/share of « decent green jobs »</td>
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<td>6</td>
<td><strong>Good governance and evidence based decision making</strong></td>
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<td>6.1</td>
<td>National forest programmes integrated into broader green economy policies</td>
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<td>6.2</td>
<td>Monitoring systems capable of supplying green economy data/indicators</td>
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These correct traditional national accounts for externalities, treatment of natural capital etc. And may be expected to inform green economy strategy. Detailed guidelines have been prepared by UN and EU (annex 4).

Challenges for green natural accounts from the forest sector: importance of forest natural capital, multi-functional forestry (externalities), long time periods (discount rate) ...

Questions:
• Is it possible/desirable to put a monetary value on all forest functions/benefits?
• How to prepare for the emerging « green national accounts »?
An effective system to measure progress of the forest sector towards a green economy

1. Consensus forming on what should be measured, concepts and definitions. Include green economy institutions to avoid misunderstanding.
2. Consultation, briefing (especially national correspondents), distribution of labour
3. Data collection, analysis and reporting
4. Usable results by 2015?
Much more research and discussion needed

- Integration of monetary measures into forest sector monitoring systems: for the green economy, but also for communication and evidence-based policy making.
- Deepen knowledge and understanding of forest sector social issues: workforce skills, education and training, occupational safety and health, job creation, revenue, ownership etc.
- Definition and measurement of natural capital in forests: discount rate, projections of demand and costs, valuation of forest land, integration of externalities ...
- Wood flows: efficiency of resource use and multi-factor productivity, cascade use ... Move from technical to policy level.
Next steps and the Integrated Programme of Work

- Workshop in 2014 to prepare plans to measure progress of forest sector towards a green economy (to be prepared by a small team, but covering many different points of view)
- Decision by Committee and Commission on basis of workshop proposals for future work (data collection and analysis, implementation of monitoring systems etc.
- Results by 2015 in order not to miss the emerging green economy frameworks
THANK YOU
FOR YOUR ATTENTION

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