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Forests and Economic Development
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Outline of the presentation

• How do forests contribute to economic development in the ECE region?
• Outlook and major policy challenges
• The way forward
• Conclusion
• What the Working Party can do
How do forests contribute to economic development in the ECE region? (1)

Consumption of forest products

![Graph showing consumption of forest products in 2010 for North America, Europe, and Russia. The graph indicates that Europe consumes the most forest products, followed by North America, and then Russia. The legend shows the different types of forest products: paper and paperboard, wood-based panels, and sawnwood. The source of the data is FPAMR.]
How do forests contribute to economic development in the ECE region? (2)

Renewable energy from woody biomass

![Graph showing the share of woody biomass in RES, 2009](image-url)
OUTLOOK AND MAJOR POLICY CHALLENGES
How much can the forests of the ECE region contribute, on a sustainable basis, to the supply of renewable energy?
Can future wood demand be satisfied on a sustainable basis?

*Figure 20: Consumption of wood in Promoting wood energy scenario, 2010-2030.*
Intensified Mobilisation

Figure 21: Components of wood supply in Promoting wood energy scenario, 2010-2030
Consequences

• The strong increase in harvest residues and stump extraction (170 million m³ more than in reference scenario 2030) seems to pose an unacceptable risk to the ecological balance of the forest.

• Increased imports may be part of the solution, although sustainability must be evaluated.

• Short rotation coppice may also partly cover demand but at trade-off with other land uses. Depending on productivity, between 6 and 17 million ha of land would be necessary to supply 170 million m³. This is roughly equivalent to an area covering 3 to 9 % of utilized agricultural land of EU27.

• Establishing short rotation coppice might imply trade-offs with other land uses and, depending on site selection, with landscape and biodiversity. We could therefore face significant environmental, financial and institutional costs.
Developing a sustainable workforce

Employment in the forest sector

Employment in the forest sector, 1990-2006

Source: FAO
Developing and implementing payment for ecosystem services

Value of marketed and non-marketed goods and services

Value of marketed goods and services

Source: SoEF 2011, FRA 2010
Promoting innovative forest products and services
Demonstrating and communicating sustainable forest management, inside and outside the sector

Written (governmental) forest-related outreach and communication strategy
The way forward

• Establish forests and the goods and services they provide as an integrated part of the green economy

• Action Plan for the forest sector in a green economy
  – Sustainable production and consumption of forest products
  – A low carbon forest sector
  – Decent green jobs in the forest sector
  – Valuation of and payment for forest ecosystem services
  – Monitoring and governance of the forest sector in the green economy
The Working Party is invited:

- To comment on the Study Paper
- To distribute and promote it, and use it for their own communication
- To identify weaknesses in data and/or analysis which should be remedied, e.g. evaluation of non-marketed services, workforce issues (salaries, safety, skills), monitoring PES, financial flows and values (not just government), public expenditure (all types) ...