Changes in the Forest Sector in Europe and Russia

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Forest cover in Europe and Russia

Forest cover %
(number of countries)

- 65 - 72 (2)
- 50 - 64 (2)
- 44 - 49 (7)
- 33 - 43 (6)
- 28 - 32 (9)
- 15 - 27 (6)
- 9 - 14 (5)
- 0.3 (1)

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Forest resources

- Forests cover some 30% of the European territory.
- Forests and other wooded land in Europe and in the countries of the Commonwealth of Independent States amount to 1.1 billion ha.
- Russia accounts for 0.9 billion ha.
- Forest area is generally stable, with a slight tendency to increase.
- The harvest is less than the increment, which contributes to the growing stock and increasing age.
Planted forests in Europe

- Plantations cover 3% of the forests. They are mostly in the Mediterranean and Atlantic regions.

- Yet in slow growing Mediterranean, temperate or boreal forests, a planted and a natural stand may be virtually indistinguishable after several decades.

- The term “cultivated forest” has been proposed for planted forests which involve society driven management, multidimensional objectives and sustainable management.
Forest product production and trade

• Over the past four decades
  – the volume and value of forest products production and consumption has increased substantially
  – the value in real terms and the quantity of forest products traded increased fivefold.

• Around 70% of the European Union (EU) imports and exports originate from, or are directed to, other EU countries.

• The original 15 EU members are the dominant trading partners.
Social and political changes affecting forestry

These changes include:

- the demise of communism in Eastern European countries and the former Soviet Union, and their transition from centrally planned to market economies
- the expansion of the EU
- rapid emigration from rural areas
- increasing role of environmental and social non-governmental organisations
- increasing influence of post-industrial and urban values.
Effects of EU expansion:

- reduction of trade formalities in the EU’s internal trade
- more reliable supply of raw material and new investments in the new member countries
- growing competition within the EU as the new member states have relatively low production costs at more or less comparable rates of productivity
- for companies, it will become easier to operate in other EU states, resulting companies to organise their material supply from other EU countries through sub-contracting or by founding subsidiary companies
- common currency will remove risks related to exchange rate variations.
From sustainable raw material production to ecosystem management

- Sustainable management of forest ecosystems has become the major objective of forest management during the last one and a half decades.

- This shift has been accepted in international processes, cast in ministerial level resolutions and integrated into the EU’s policy framework.

- It is the guiding principle in the definition of new standards and practices and for the revision of forest legislation at a national level.
From national domain to international discussion

• Forest policy processes have become internationalised.
  – The ministerial Conference for the Protection of Forests in Europe (MCPFE)
• Multi-stakeholder dialog processes at the pan-European level have been established within the processes.
• In the EU, the relevance of forestry has been steadily increasing and the relevance of EU decisions for national policies is undisputed.
Common challenges in Europe

• With increasing urban values in many countries, there is growing emphasis on the importance of amenity outputs from forests.

• Even if sustainable ecosystem management is basically “a win for all”, its implementation must include the addressing of inherent conflicts of interests.

→ Increasing importance of conflict management approaches
Challenges for Central and Eastern European countries

• Improved value added production and lower raw and semi-processed material exports call for:
  – restructuring of trade relationships
  – new investments in processing capacities and technology
  – change in ownership structure of forest industries and some forest resources
  – different forms of involvement of international companies
  – co-operation between state forest enterprises and forest sector industries.

• In some countries, better forest law enforcement and adaptation of legislation to curb illegal logging are needed.
Challenges in Russia

• Since 2000, several proposals have been presented to balance authority over forests between federal authority and regional governments.

• Elements of tension prevail between tendencies towards more central control and more private activity in the sector.

• The main problems in the forestry sector are:
  – non-transparent timber flows and illegal logging
  – corruption
  – needs for improved and streamlined legislation and law enforcement
  – low income from regular forest usage
  – needs for investment in forest management infrastructure and in modern processing facilities.
Growing demand for new services and products

- Rapid environmental developments and related social and economic factors pose challenges to forest management (e.g. carbon sequestration).
- Forest functions (e.g. recreation, conservation) are increasingly recognised as services.
- Marketing of environmental and recreational services is needed to realise the potential created by growing demand.
- Services are increasingly provided by private forest owners.
- Innovative financial policy instruments are needed for realising public objectives on private lands, e.g. for urban forestry.
Forestry and rural development

- Rural areas across Europe are facing more rapid emigration than ever before.
- The forest sector can support rural development through:
  - innovative use of wood and non-wood forest resources
  - increasing use of renewable energy
  - increasing employment and economic benefits from forests.
- The increasing number of urban and/or absentee forest owners leads to the need to redesign forest policies, policy instruments and institutions, which were designed for rural farm-dwelling forest owners.
The way forward

• Post-industrial and urban values are clearly dominating, and forestry will have to continue adapting to changing developments in the societies.

• The change towards sustainable forest management is of such magnitude that it will still take considerably more time for all its implications to be included in international declarations and new legislation.