



EFSOS and the importance of the cross-sectoral dimension

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Cross sectoral workshop, Riga

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Structure of the paper

- Background
- Why worry about the cross-sectoral dimension?
- EFSOS scenarios: influence of other sectors on the forest sector
- How should the “forest sector” act in the cross sectoral world?

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Why address the cross sectoral dimension?

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All the really important developments for European forests result from mega trends outside the forest

- Agricultural land
- Fuel & shelter
- War, pestilence
- Transport
- Technical substitutes for wood: wood is no longer an essential material for human life
- Urbanisation
- Prosperity, leisure, new values
- Etc.

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Increasingly, major policy issues are cross sectoral, for instance:

- Trade & environment
- Environment & security
- Integrated regional development
- Governance, social issues & environment
- Etc.

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Special features of the forest sector

- Long time scale
- Externalities
- Role of state/public good/community
- Inherent conservatism of many players and institutions
- Sector economic growth generally slower than average
- Misconceptions by public opinion
- => defensive reactions

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ECE/FAO European Forest Sector Outlook Study (EFSOS)

- Main report, 2004
- Discussion paper: The policy context of the European forest sector, Thoroé et al. (ECE/TIM/DP/34)
- Analyses cross sectoral influences and possible impact on future outlook

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Main external influences on long term forest sector outlook (from EFSOS)

- Biodiversity & nature conservation
- Agriculture & rural development
- Transition in former centrally planned economies
- Globalisation, trade & innovation
- Energy

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For each sector, EFSOS:

- Identified main trends and policies
- Linked these to forest sector scenarios
- However, linkage was non quantitative and informal (based on expert opinion)

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Biodiversity & nature conservation: trends

- Agreed as major policy goal
- Strategies developed (local, national, regional, global, species/ecosystem specific)
- Strong public support

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Biodiversity & nature conservation: consequences

- Nature oriented forest management
- Explicit recognition of ecological pillar of SFM
- Higher management cost, reduced wood availability
- Changing attitudes of forest managers (certification)
- Revenue from ecological services?

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Agriculture and rural development: trends

- Move from market support to direct payments
- Fight against rural depopulation
- Concern for cost of policy measures

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Agriculture and rural development: consequences

- Economic incentives for social and environmental services
- Expansion of forest available for wood supply, higher removals and production

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Transition: trends

- Reform in depth of all political, economic and social structures (differences between countries)
- Faster economic growth
- International competition
- Changes in land and forest ownership

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Transition: consequences

- Stronger domestic demand for forest products
- Export opportunities (inward investment) (wood/forest industries are an area of comparative advantage in some countries)
- Pressures on efficiency for all players (reduced employment)
- Profound restructuring of institutions

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Globalisation, innovation: trends

- Fierce competition between suppliers and between countries on a global scale
- Reduced barriers to trade
- Immediate communication
- Global markets for labour, capital and energy
- Cost cutting
- Necessity to innovate

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Globalisation, innovation: consequences

- Lower margins
- Export opportunities
- Incentive to innovate
- Faster growing markets

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Energy: trends

- High prices
- Stress on energy security
- Kyoto protocol
- Energy conservation
- Support for renewables

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Energy: consequences

- New markets/outlets for wood
- Higher wood prices/competition for wood supply for industries
- Biofuels?
- International trade in wood energy

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Three “mega-scenarios”

- Conservation (slower growth, higher prices)
- Sustainable energy (wood energy, plantations, higher costs)
- Globalisation (faster growth, lower prices, more innovation based on competition)

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How should the “forest sector” act in the cross sectoral world?

- Be aware of mega trends and make sector policy accordingly
- Communicate the forest sector “angle” to larger policy making entities
- Is this inter-sector dialogue good enough?

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Some questions

- Where does forest sector policy begin and end?
- Is it meaningful to seek a single « message » from the forest sector (implies a common interest which may not exist)?

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More questions

- Should we be moving away from a paradigm which sees one “sector” influencing another?
- And moving towards a sophisticated and coherent approach towards complex issues?
- Can this be done within the existing institutions?

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Thank you for your attention

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