



State of the World's Forests *IN BRIEF*



Enhancing the socioeconomic benefits from forests

Putting people at the centre

It is time for forestry to shift perspective from trees to people, both for data collection and policymaking. *State of the World's Forests (SOFO) 2014* argues that this will enable the development of the socioeconomic benefits from forests to meet the growing demands of society, while maintaining the integrity of the forest resource base.

Across the world, forests, trees on farms, and agroforestry systems play a crucial role in the livelihoods of rural people by providing employment, energy, nutritious foods and a wide range of other goods and ecosystem services. They have tremendous potential to contribute to sustainable development and to a greener economy. Yet, clear evidence of this has been lacking.

SOFO 2014 addresses this knowledge gap by gathering and analysing available data on forests' contributions to people's livelihoods, food, health, shelter and energy needs. It examines the measures already taken by countries to promote the socioeconomic benefits from forests. Crucially, the report also suggests where information needs to be improved and policies adjusted, so that these benefits can be enhanced in the future.



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The socioeconomic benefits from forests

This definition reflects the importance of how people use forests, i.e. an emphasis on consumption rather than production. This will require a change in perspective for most countries.

In addition, information about how forests benefit specific groups (e.g. women, indigenous people and the rural poor) is needed to assess whether the benefits from forests contribute to equality.

The socioeconomic benefits from forests constitute basic human needs and improvements in one's quality of life (higher order needs) that are satisfied by the consumption of goods and services from forests and trees or are supported indirectly by income and employment in the forest sector

Direct and measurable impacts

The focus of the data collected for *SOFO 2014* is on the direct and measurable impacts of forests on peoples' lives. It demonstrates how the production and consumption of wood products, non-wood forest products and forest services meet food, energy, shelter and health needs, and generate income.

It is as yet difficult to tease out the distribution of forest benefits among different groups. However, evidence suggests that the socioeconomic benefits from forests are relatively more important in rural areas and in less developed countries.

Income from forestry and its role in less developed regions

Income includes the wages, profits and timber revenue earned in the formal sector, plus the income earned in informal activities, such as production of woodfuel and non-wood forest products (NWFPs).



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Overall, income in the formal forest sector amounts to just over US\$600 billion and accounts for about 0.9 percent of the global economy. In addition, payments for environmental services and income from the informal production of woodfuel, construction materials and NWFPs amount to an additional US\$124 billion, bringing the total to US\$730 billion or 1.1 percent of the global economy.

Employment of women in the formal forest sector is relatively low, with women holding only 24 percent of all jobs in the sector. Availability of other gender-disaggregated data at the national level is poor, although men and women clearly receive different socioeconomic benefits from forests.

The dominance of informal employment

Total employment in the formal forest sector amounts to 0.4 percent of the global workforce – or some 13.2 million people. Enterprises producing solid wood products are the largest employers globally, employing some 5.5 million people, followed by pulp and paper production (4.3 million) and roundwood production (3.5 million).

Estimates suggest that informal employment in the sector amounts to at least 41.0 million, raising the contribution of the sector to employment to 1.7 percent globally. It is particularly significant in less developed countries, where it accounts for two-thirds of all forest-related employment in Asia and Oceania, almost 90 percent in Latin America and the Caribbean, and over 95 percent in Africa.

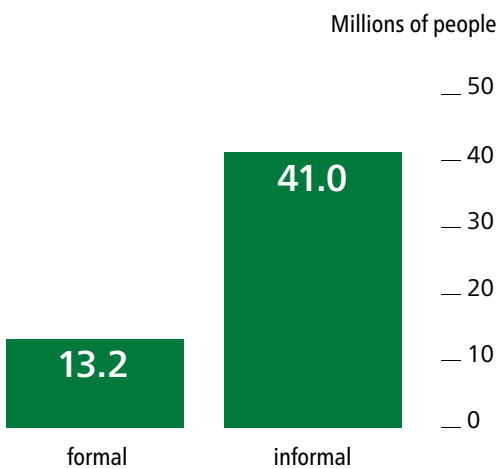
Wood energy – a major benefit provided by forests

Direct consumption benefits are generally more significant than the socioeconomic benefits from income and employment.

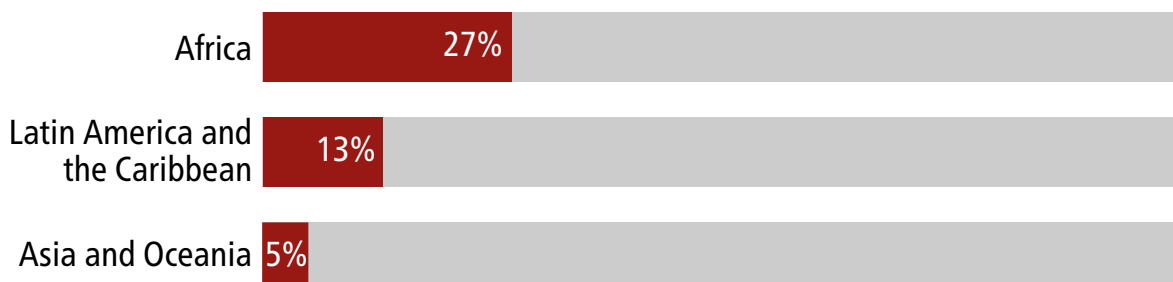
Wood energy is often the only energy source in rural areas of less developed countries and is especially important for poor people. Its use is also increasing in developed countries aiming to reduce their dependence on fossil fuels. Globally, woodfuel accounts for 6 percent of the total primary energy supply (TPES). Wood energy makes the greatest contribution to TPES in Latin America and the Caribbean and in Africa (13 percent and 27 percent respectively).



Number of people employed in the forest sector



Contribution of wood energy to total primary energy supply



One in five people lives in a home built mainly of wood

The use of forest products in house construction to meet the basic need for shelter is particularly important in the rural areas of less developed countries, especially where these materials are more affordable than other building materials. Across the world, forest products contribute to the provision of shelter for about 1.3 billion people, or 18 percent of households.

Forests contribute to health and food security

About 10.9 kg of edible non-wood forest products (NWFPs) were consumed (per capita) on average in 2011 at the global level. Asia and Oceania leads, at 14.6 kg per capita, followed by Latin America and the Caribbean and Africa, whereas per capita consumption in the two developed regions was under 4 kg. Despite these low figures, the consumption of edible NWFPs may provide important benefits in terms of nutritional value and stability of food supplies. Forests are also a known source of medicinal plants.

In addition to benefits from the direct consumption of NWFPs, the use of woodfuel for cooking is of vital importance for many people, with one in three people in the world using woodfuel to cook their food. Its use to boil and sterilize water has been identified as a key health benefit with some 764 million people boiling their water with wood. A high quality living environment and access to forests for recreational use may also have beneficial effects on health.



Forest products make a significant contribution to the shelter of at least 1.3 billion people, or 18 percent of the world's population.



2.4 billion people cook with woodfuel



764 million also use wood to boil their water



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The changing forest policy landscape

The extent to which people benefit from forests is strongly influenced by government action. Virtually every country with significant forest resources has a national forest programme (NFP) or similar framework of policies and programmes that address critical forest issues. These policies have to be adjusted to meet growing and shifting demands, emerging opportunities, and potentially negative trends.

The policy shifts currently being witnessed in countries with significant forest resources include:

- a broader concept of sustainable forest management taken up in national forestry programmes or policies;
- more emphasis on participation in policy processes and forest management, and;
- greater openness to voluntary and market-based approaches.

An analysis of information from 121 countries' policies covering the period since the Forest Instrument* was adopted in 2007 shows that, in many countries, capacity to implement goals and intentions expressed in national forestry programmes and policies is a major bottleneck.

Few countries appear to have set goals with specific and measurable targets, to have defined target groups for measures and results chains, or have the capacities to monitor implementation of policies and measures. Benefits provided through services also tend to remain weakly understood, recognized, or governed. In order to make real progress in enhancing the socioeconomic benefits from forests, policies must be underpinned by capacity building.

* The United Nations Forum on Forests adopted the landmark Non-legally Binding Instrument on All Types of Forests (Forest Instrument) on 28 April 2007. The instrument is key to international cooperation and national action to reduce deforestation, prevent forest degradation, promote sustainable livelihoods and reduce poverty for all forest-dependent peoples.



Adapting policies to ongoing challenges

In addition to the need for better data and stronger capacities, many other challenges remain to meeting the commitments in the Forest Instrument that relate to socioeconomic benefits.

Poverty reduction and rural development – Relatively few countries specifically address poverty or decent rural employment when amending forestry policies, indicating a still dominant technical paradigm of forest management, rather than a people-oriented one.

Providing local communities, families and individuals with access to forest resources and markets – Around half of the countries surveyed have taken measures to improve the access of local communities, families and individuals to forest resources and markets in recent years, particularly in the Latin America and Caribbean region. However, countries rarely address informal economies and markets which are a major source of livelihoods in many rural areas.

Creating enabling environments to encourage investment – Financing sustainable forest management by promoting investment has been high on the political agenda in many countries. One mechanism attracting particular attention is the establishment of national forest funds, acknowledging the overarching importance of attracting domestic finance, big and small.

Yet, affordable and reliable access to sources of finance for local and indigenous communities remains an issue. And, even in countries with stable policy environments that are more likely to benefit from international investment, capacity to use the funds may be inadequate.

Voluntary instruments – supporting sustainability and market transparency – Voluntary instruments such as forest certification are increasingly accepted as a useful tool to support and complement government policies towards sustainable forest management. They also help ensure that the private sector acts as an accountable partner. Governments in developed countries are continuing to strengthen public procurement schemes and green building programmes, thereby reinforcing demand-side incentives for products from sustainable sources.

Many policy challenges remain, including the high cost of certification for small-scale producers and the lack of domestic demand for products that are costlier than those from exploitation.

Efficient production and processing of forest products, waste reduction and recycling – While the majority of countries are endeavouring to increase use of biomass and production capacity, only a minority explicitly refer to waste reduction or recycling, mostly in Europe and Africa. Enhancing the efficiency of resource utilization is a powerful way to enhance socioeconomic benefits and provide them sustainably.



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- In Europe and North America at least 90 million people use wood to heat their homes.
- Asia accounts for over 50% of the formal forest sector.
- Wood energy provides over half of all energy supply in 29 countries, 22 of them in Africa.



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- Since 2007, at least 26 countries have addressed tenure reform, mainly to better support local livelihoods.
- Around 60 countries have taken measures to encourage forest investment during the same period.
- As of 2013, 61 countries use forest certification mechanisms for their public forests.

Benefits deriving from traditional forest-related knowledge and practices

– The sociocultural benefits of forests are often of high importance to local and indigenous communities, and traditional forest-related knowledge and practices (TFRK) also benefit people beyond this group. Despite this, only a few countries have addressed TFRK specifically – mostly via improved tenure rights and access to natural resources – and it will require further attention.

Recognizing the range of values and benefits provided by forests and reflecting them in the marketplace

– The value of assets and ecosystem services that forests provide is much higher than currently acknowledged, particularly by governmental planning and budgeting systems. Few countries have taken concrete measures in this area, although a small but growing number (at least 13) are starting to highlight the contribution of forests to national wealth by, for example, developing economic and environmental accounting frameworks.

Several countries, particularly in Latin America, are also developing and refining payment for environmental services (PES) schemes (although PES for REDD+ is still largely in the testing and exploration phase). However, many of the services provided by forests (e.g. erosion control, pollination, natural pest and disease control mechanisms) remain largely unrecognized and, more importantly, very few countries address several major benefits such as woodfuel, bushmeat and medicinal plant production.

As countries work towards a more sustainable and greener future, demands will increase further for many of the benefits that can be produced by forests. There is therefore a potential for forests to make an even greater contribution to socioeconomic development in the future, and a corresponding need to manage this potential wisely.

Key messages

To measure the socioeconomic benefits from forests, data collection must focus on people, not only trees.



With the exception of formal employment figures, forestry administrations have little information on how many people benefit from forests, and the data available is often weak. Current data collection, which focuses on forests and trees, needs to be complemented by data collection on the benefits that people receive. This is best done by collaborating with public organizations undertaking such surveys.

Forest policies must explicitly address forests' role in providing food, energy and shelter.



Many countries have made great progress in strengthening forest tenure and access rights and supporting forest user groups. Yet there still appears to be a major disconnect between a policy focus on formal forest sector activities and the huge numbers of people using forests to meet their needs for food, energy and shelter.

Recognition of the value of forest services, such as erosion protection and pollination, is essential to sound decision-making.



If the value of services provided is not measured or recognized, economic and policy decisions affecting forests will be based on incomplete and biased information. This is critical for the sustainable provision of many services, from essential services for food security and agricultural productivity such as erosion protection and pollination, to recreation and other amenities that forests provide to people.

To meet rising and changing demands, sustainable forest management must include more efficient production.



Demand for many of the benefits derived from the consumption of forest products is likely to continue to increase as populations increase, and change as lifestyles change, whether due to the emerging middle class, the global shift to predominantly urban living, or other factors. These demands will have to be met from a static or declining resource. To avoid significantly degrading this resource, more efficient production techniques must be adopted, including in the informal sector.

Providing people with access to forest resources and markets is a powerful way to enhance socioeconomic benefits.



Countries are providing people with greater access to forest resources and markets, amongst many other measures to encourage the provision of goods and services. This is particularly effective at local levels. The facilitation of producer organizations can support access to markets and more inclusive and efficient production.

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This is an outline in brief of the *State of the World's Forests (SOFO) 2014* publication. The full edition of *SOFO 2014* presents a range of data that clearly demonstrates the impact of forests on people's lives. It examines the measures countries have taken to promote the socioeconomic benefits from forests and makes recommendations as to how to enhance these benefits sustainably.

To see the full report go to: <http://www.fao.org/forestry/sofo/en>