

Foreword

State of the World's Forests presents a global picture of the forest sector by providing the latest information on major policy developments and key emerging issues. As with previous publications, this sixth edition aims to assist forest practitioners, other resource managers, policy experts, educators, forest industry and civil society to make informed decisions about the best way to achieve sustainable forest management.

Some people might be of the opinion that not much changes from one year to the next. Yet a look back even over the short term can leave quite another impression. Since the last publication of *State of the World's Forests*, for example, the outcomes of the World Summit on Sustainable Development are being implemented, many through partnerships. Although some participants were disappointed that forest issues *per se* were not discussed during the summit, the Plan of Implementation recognizes sustainable forest management as essential to achieving sustainable development. Note was also made of the importance of forests in eradicating poverty, improving food security and halting the loss of biological diversity. Along similar lines, many efforts to make the United Nations Millennium Development Goals a reality take into account the range of benefits that forests provide. Another milestone is fast approaching as countries participating in the United Nations Forum on Forests (UNFF) meet in May 2005 to decide on future international arrangements for forests after more than ten years of policy dialogue.

Building on the broad participatory process to assemble *State of the World's Forests 2005*, we have asked for contributions from key non-governmental organizations and from individuals acting in their personal capacity, in addition to pieces researched and written by FAO staff. The theme of this year's edition – “realizing the economic benefits from forests” – reminds us that managing forests in a sustainable manner for the range of values they provide will not be possible if the sector as a whole is not economically viable. Although markets for environmental services are growing, we know that wood and wood products will remain important sources of income for the immediate future. Therefore, governments and other owners of the resource must capture more of the production potential and create conditions for the development of efficient markets. At the same time, they must safeguard the environmental, social and cultural functions of forests.

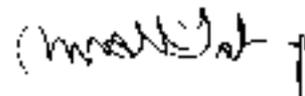
Evidence is mounting that certain segments of society are able and willing to pay to protect watersheds, for example, and this practice is expected to become more widespread when the linkage between upstream owners and downstream users is formalized. Regulatory frameworks are also being developed to address carbon sequestration and the conservation of biological diversity. The fact remains, however, that a significant portion of forest goods and services falls outside the marketplace, causing forest owners and managers to underinvest in forest protection or sustainable forest management. Until markets for these

products develop, governments will be called upon to respond to demands through public interventions or programmes.

Part I presents recent developments and areas of current attention in forest resources; the management, conservation and sustainable development of forests; the institutional framework; and the international forest policy dialogue. Part II contains five chapters, each addressing a particular subject in more detail. The first focuses on enhancing economic benefits from forests in the context of changing opportunities and challenges – a topic of interest to governments, the private sector, communities, individual forest owners and others who depend on the resource for their livelihood. The second chapter notes ways in which various agroforestry practices can benefit farmers and outlines conditions that need to be in place to maximize returns. An overview of the importance of wood energy, with a description of the economic forces that affect its production and consumption, is provided in the third chapter. The fourth chapter examines issues related to tariffs and non-tariff measures in the trade of forest products. The link between violent conflicts and forested regions, where remoteness and inaccessibility can provide cover for lucrative illegal activities, is explored in the last chapter.

Trying to do justice to key topics within the constraints dictated by length means that coverage of some has to be general rather than exhaustive. These could perhaps be treated in more depth in future editions, or other organizations and partners could consider initiating further research in areas of particular interest to them. Indeed, FAO would welcome such efforts and could offer its assistance to the extent possible.

FAO is pleased to release *State of the World's Forests 2005* and hopes that readers find it informative.



M. Hosny El-Lakany
Assistant Director-General
FAO Forestry Department