

THE CONTRIBUTION OF EFSOS TO NATIONAL POLICY FORMULATION IN NORWAY – A BRIEF OUTLINE

by

Birger Solberg
Department of Ecology and Natural Resource Management
Norwegian University of Life Sciences
Norway¹

¹ Because of time limitations it has not been possible to discuss the content of this report with officials in the Norwegian Ministry of Food and Agriculture, and the report thus reflects the opinion of only the author.

1. Introduction

This report has as main objectives to ascertain whether and how EFSOS (including Discussion Papers and meeting/contacts generated during the EFSOS process) is contributing to national policy formulation in Norway, as background information for the discussion of the EFSOS workshop June 20-21, 2005 in Budapest.

The delegations for that workshop has been asked to supply answers on eight questions, and the report is structured according to those questions.

- *In what way are the EFSOS “Conclusion and Policy Recommendations” relevant for your country?*
- *Which of the policy scenario assumptions made in EFSOS (in Chapter 3) fits best to the situation in Norway?*
- *What kind of significant changes are you expecting with regard to your country’s forest sector policy in the next 3-5 years as a direct or indirect result of the EFSOS analysis, conclusions and recommendations?*
- *Who uses the information, conclusions and recommendations presented in EFSOS in your country? Who else could potentially benefit?*
- *What process is used to make EFSOS known and review it at the national level?*
- *Do you have any comments on the EFSOS country profile for your country?*
- *What are your suggestions and comments regard the further UNECE/FAO Forest Sector Outlook activities?*

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2. In what way are the EFSOS “Conclusion and Policy Recommendations” relevant for your country?

Most of the conclusions are relevant for Norway. It is particularly important to get an overview of the total European picture (and its division on 3 regions) because then it is easier to see what will be the particular challenges in Norway.

For Norway, the main challenge is to utilize the forest resources better (today we cut only about half of the annual increment) and do this in a way which appropriately balance ecological, social and economic benefits.

3. Which of the policy scenario assumptions made in EFSOS (in Chapter 3) fits best to the situation in Norway?

The policy and market framework outlined in EFSOS main report Ch. 3.3 for Western Europe reflects rather well the expected changes in Norway.

The baseline assumptions of 2.2 % p.a. economic growth seems realistic, but the economic growth in the other two scenarios for the forest sector defined in Ch. 3.4. for Western Europe may seem unlikely - at least on the following grounds:

- The economic growth in the Conservation scenario is unlikely to be 32 % less (2.2% p.a. versus 1.5% p.a.) in the conservation scenario compared to the Baseline scenario. In my opinion they should be more equal.

- The economic growth in the Integration scenario is not likely to be 68% higher (3.5% p.a. versus 2.2% p.a.) compared to the Baseline scenario. This is the main reason for the high production (and consumption) level in the Integration scenario.
- The assumed average annual price changes of plus and minus 0.5 % p.a. on all products is rather arbitrary and would in practice differ quite a lot according to which forest products are considered and also between regions.
- The logic behind the assumption that forest product prices will decrease when the economic growth increases from 2.2% to 3.5 % p.a. is questionable, as it must be based on the assumption that supply is increased (because of institutional factors and economies of scale) considerably more than demand.

4. What kind of significant changes are you expecting with regard to your country's forest sector policy in the next 3-5 years as a direct or indirect result of the EFSOS analysis, conclusions and recommendations?

Generally, I don't think EFSOS will change anything in Norway significantly, but it will be an important factor among other factors in justifying and developing the present forest policy with emphasis on:

- Holistic and integrative perspectives
- The important contribution of forests to welfare of the country, including the necessity of relevant policy instruments
- The need for keeping an international perspective

Probably the most important impact in Norway of EFSOS is the confirmation of the message that there is no acute shortage of fibre in Europe. This is likely to lead to:

- Less emphasis on investments in forestry's primary production (subsidies for planting etc)
- More emphasis on increasing natural regeneration, policy measures for stimulating increased harvest volume in a meaningful way, and securing environmental outputs/benefits.
- More emphasis on generating income from forests in Norway from other sources than timber production (recreation, biodiversity protection, tourism, niche- production).

5. Who uses the information, conclusions and recommendations presented in EFSOS in your country? Who else could potentially benefit?

The present main users are ministries (agriculture, environment, energy, trade), forest owner organisations, forest industry organisations, large industries, consultancy companies, environmental organisations, higher teaching and research institutions, media (press), and probably political parties/politicians who have a special agenda related to forestry.

I think the EFSOS is well known in Norway among most of the above groups, but may be in particular the press/media group could potentially improve their knowledge and use here.

6. What process is used to make EFSOS known and review it at the national level?

The Ministry of Food and Agriculture informs about EFSOS on its web-side and in meetings with groups/individuals who is thought to have interest in EFSOS work. In addition each of

the above mentioned organisations are invited to send participants to relevant EFSOS meetings.

In addition, the university uses EFSOS information in the teaching and research, and people may write about EFSOS results in newspapers and forest and environmental journals. (An idea here for increasing the knowledge about EFSOS is that the EFSOS secretariate may write 1-3 pages presentations which the national correspondents could translate and publish in their home countries?)

7. Do you have any comments on the EFSOS country profile for your country?

I have not got the latest version. But in an older version I can see that the forecasts for Norway are based on economic growth assumptions which in my opinion differ too much between the base scenario (which assumes 2.4 % p.a. growth) and the conservation scenario (which assumes only 2.0 % p.a. growth) – i.e a difference of 20%.

8. What are your suggestions and comments regard the further UNECE/FAO Forest Sector Outlook activities?

It is important that the activity is continued. The international aspects related to forestry and forest industries is just getting increasingly more important. Very few countries can alone do the kind of work EFSOS is doing, and by pulling the resources together every country benefits.

Among the topics to be emphasized in the future EFSOS work, I would mention in particular:

- To secure (and improve on certain items) the present quality of the empirical data provided by the various countries.
- To discuss and improve the methodologies used in the various steps. For example, the econometric method used in the EFSOS forecasts should be compared to using partial equilibrium models like EFI-GTM, or to combine these two methodologies).
- To analyse and discuss the uncertainties in the results obtained, and the main reasons for the uncertainties.