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	منظمة الأغذية والزراعة للأمم المتحدة	联合国 粮食及 农业组织	Food and Agriculture Organization of the United Nations	Organisation des Nations Unies pour l'alimentation et l'agriculture	Продовольственная и сельскохозяйственная организация Объединенных Наций	Organización de las Naciones Unidas para la Alimentación y la Agricultura
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LATIN AMERICAN AND CARIBBEAN FORESTRY COMMISSION**TWENTY-EIGHTH SESSION****Georgetown, Guyana, 9 to 13 September, 2013****STATE OF THE FOREST SECTOR IN THE REGION****Secretariat Note****Trends**

1. *The countries of the region are implementing programmes to reduce emissions from deforestation and forest degradation (REDD).* In 2008, the United Nations established a Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD), which considered three pilot countries from Latin America and the Caribbean for the new initiative (Panama, Bolivia and Paraguay). Later, Ecuador was incorporated as beneficiary country in 2010 and Colombia in 2013, thus totalling a direct contribution of about USD 22 million for the five countries. Nine other countries in the region have joined the initiative: Argentina, Chile, Costa Rica, Guatemala, Guyana, Honduras, Mexico, Peru and Suriname. FAO is also working on REDD in Mexico, Peru and Ecuador with funds from the Government of Finland.

2. *There is an ongoing promotion regarding sustainable forest management and the association of forest activities with other productive activities undertaken by family farmers.* There are different approaches on public administration and management of forest resources in the Region; however, this is characterized by the search for more appropriation of the benefits and uses of forest resources by local communities, through policies, laws and programmes. FAO systematized some exemplary cases of forest management in Brazil, Chile, Guatemala, Peru, Bolivia, Honduras, Mexico, Dominican Republic, Nicaragua and Colombia. Most of these cases relate to management processes developed by peasant and indigenous communities that receive the economic benefits from the sustainable use of forest resources.

3. *The forest cover is lost or degraded, in part, due to social and economic dynamics typical of the Region that promote the intensive use of forest goods and land-use change.* It is estimated that the annual loss of forests in the Region is 3.95 million hectares (0.40%), of which, 3 million hectares correspond to natural forests (75% of the world's native forests). See Table 1.

Table 1. Annual change rate of forest area (2005 – 2010)

	Forest Area (1000 ha)	Annual change rate	
	2005	2010	1 000 ha/year
Caribbean	6728	6 933	41
Central America	86 233	84 301	-404
South America	882 258	864 351	-3,581
Total	975 309	955 585	-3,945

Source: FRA, 2010. Note: Central America includes Mexico.

4. Population growth, urbanization of the population and the persistence of poverty are some of the major socio-economic dynamics that affect forests in the Region. The population grew from 286 million in 1970 to 588 million people in 2010. Latin America and the Caribbean is the region with the highest concentration of population in urban areas (80% in 2010), leading to the abandonment of the small holding, the concentration of agricultural ownership and the additional demand for building materials in the cities. Another problem is the high concentration of wealth and the persistence of poverty. By 2010, it was estimated that one third of the population was poor (50% of the rural population is poor), and about 13% lived in extreme poverty (30% of the rural population is destitute). Efforts to reduce deforestation are confronted primarily with a serious social and economic problem in the rural sector.

5. ***The progressive integration of the Region into the global market of goods and services undermines the opportunities for forests conservation and sustainable management due to the limited State control.*** There is a trend towards increasing the participation of the Region in the global exports value. This can be explained by the increase in prices of raw materials and the specialization of Latin America and the Caribbean in exporting the same to meet a growing global demand. In 2010, about 35.6% of the total exports value was already related to primary goods. In the forest sector, exports of logs, boards, wood and even charcoal have increased substantially in recent years, but with significant annual variations. From 2005 to 2009, the percentage of net foreign direct investment (NFDI) in economic activities related to natural resources increases more than doubled, reaching about 37% of the total NFDI in the Region. Both, the increase in exports of raw materials as the NFDI in productive activities related to natural resources, provide an opportunity to strengthen the regional economy based on the sustainable use of natural resources. For this opportunity to become a competitive advantage, it is necessary to strengthen the ability of the State to regulate and control land-use change and forest harvesting by promoting a sustainable development.

Perspectives

6. ***The valuation and payment for forest ecosystem services to local populations will promote the conservation and proper management of forest resources*** Payment for ecosystem services (PES) offers an opportunity to value, improve profitability of forest activities and promote sustainable management and thus, prevent the deterioration of forests. At present, a significant number of PES experiences have taken place in the Region, most of them related to water supply. An important aspect that needs to be worked in the Region to allow the PES mechanisms to be implemented is the clear definition of ownership rights provided by ecosystem services. In general, from the various experiences studied in Latin America, it is concluded that PES of forests has produced a positive change in the approach of the population that pays and receives payment recognizing the importance of the conservation of forest resources and the permanence of the ecosystem services. However, the PES programmes coverage is still very low.

7. ***The forest sector will have a greater participation in national economies and constitute an important source of income for family economics.*** The forest sector's contribution to Gross Domestic Product (GDP) in the Region varies between 2% and 3%, according to a survey carried out by FAO in

the countries. However, it is considered that these percentages do not represent the real magnitude of the contribution of the forest sector to national economies. In most countries it only corresponds to silvicultural activity and wood extraction and trading. It does not include, for example, secondary wood products processing, or the generation of employment in activities such as forest raw material transport, industry and transportation of manufactured goods. Forest harvesting at farm level (wood products for construction and firewood), non-wood products (for food, medicine, fibre, etc.), ecosystem services of forests which are important for the general welfare of the population and the development of productive activities were not considered either. It is expected that the sustainable management of forests to obtain wood and non-wood products and the valuation and payment for ecosystem services, generate significant income for farmers in rural areas, and increase the contribution of the sector to national economies. In this context, in several regions, the development and strengthening of community forestry to harvest goods and ecosystem services of forests and generate income can provide significant support in the alleviation of rural poverty.

8. *The recognition of the importance of forests in climate change mitigation and in the national socio-economic development will promote the adequate management and conservation of forests.* Under the perspective of a greater valuation of the ecosystem services of forests related to climate change mitigation and the increasing participation of the forest sector in national economies and family, the countries of the Region are taking steps towards the conservation and sustainable management of forests. Countries have initiated the formulation and implementation of national REDD programmes, have destined forest areas for the conservation of biodiversity and other ecosystem services and promote sustainable forest management.

9. Over the last five years (2005-2010) the forest area in the Region designated for the conservation of biodiversity has increased at a rate of 3.1 million hectares a year (50% of the areas annually declared for world's biodiversity conservation). Currently, about one third of the total area of forests in the Region (see Table 2), is presently assigned primarily to non-productive functions (conservation of biodiversity, protection of soil and water and provision social services).

Table 2. Forest surface per primary function in Latin America and the Caribbean (2010)

Primary function	Surface (million ha)
Production	110
Land and water protection	60
Multiple use	151
Unknown or none	357
Subtotal	678
Conservation of biodiversity	133
Social services	120
Others	6
Forest plantations	18
TOTAL	955

Source: FRA, 2010

10. The annual deforestation rate over the years 1990-2000, 2000-2005 and 2005-2010 was estimated at 4.89, 4.84 and 3.95 million hectares respectively. It is expected that this trend in reducing the rate of deforestation will continue in the coming years, given the growing importance of forests in Latin America and the Caribbean.

Aspects to consider in the dialogue at the Latin American and Caribbean Forestry Commission (LACFC)

11. ***How to demonstrate the contribution of forests to food security.*** Foods from forests including leaves, fruits, wildlife, insects, seeds, nuts, honey and mushrooms, have been an ancient diet. Nearly 2.6 billion people in the world require firewood and charcoal to cook their meals. Besides direct consumption in their diets, forests also are a source of rural job that generates income to help maintaining life systems. The forest also ensures the ecosystem services to allow agricultural, livestock and fisheries production.

12. ***The importance of promoting the restoration of degraded areas and the national land, which must include the forest sector.*** The pressing need to increase food production in certain countries and regions, and the increasingly limited availability of natural resources, mainly land, should be addressed as soon as possible, so as to avoid unsustainable situations and social conflicts, so it is urgent to implement an adequate land use planning. Degraded areas should be restored, to be incorporated in productive processes and/or in the protection of soil, water resources, agricultural production systems, and infrastructure.

13. ***The establishment of national systems of valuation and payment for ecosystem services that benefit local populations.*** A direct and significant income for forest owners and users of the ecosystem services they provide, will supplement the income of farmers, improve the profitability of forest activities and modify the social behaviour towards a proper management of forests.

14. ***Generate flows of resources and investment on smallholder farming for the development of productive forest activities.*** One of the most pressing problems in forest activities is the lack of funding, whether State or private funds, mainly at the family farmer level. It is important to create funding mechanisms according to the family farming features and scale and, simultaneously, to the characteristics of the forest activity. An important contribution to develop means of living based on forest production is to facilitate trading of forest products from family farms.