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ASIA PACIFIC FORESTRY COMMISSION

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STATE OF FORESTRY IN ASIA AND THE PACIFIC

Background

1. The Global Forest Resources Assessment (FRA) 2015 estimated total forest area in the Asia-Pacific region in 2015 to be 723 million hectares. There has been an overall increase in forest area in the Asia-Pacific region of approximately 20 million hectares between 2000 and 2015, but this masks vast differences among subregions and countries. Forest area has increased overall in East and South Asia, but declined significantly in Southeast Asia and in Oceania. Most of the regional increase occurred in a few countries, notably China, India, the Philippines, Thailand and Viet Nam. Forest area also increased by modest amounts in Bhutan, Fiji, New Zealand and Samoa. Cambodia, the Democratic People's Republic of Korea, Indonesia, Myanmar, Nepal and Pakistan were the countries suffering the greatest declines in forest area in the period from 2000 to 2015.

2. The Asia-Pacific region has more than half the world's population but only about 18 percent of forests globally. As a whole, the Asia-Pacific region has just 0.18 hectares of forest per capita; about one-third the global average. South Asia is both the least-forested and most populated of the Asia-Pacific's four subregions: it contains a quarter of the world's population, but just 2 percent of global forests.

3. The area of primary forests in Asia and the Pacific continues to decline, while planted forests are expanding relatively rapidly. Primary forests accounted for 19 percent of the forest area in the Asia-Pacific region in 2015. Other naturally regenerated areas (which include logged-over - forests) accounted for 63 percent, and the remaining 18 percent comprised planted forests. In addition to declining areas of primary forests, a decline in overall forest quality due to degradation (including due to fire, pests and diseases, soil degradation or overharvesting) also remains a serious problem albeit one that presents significant challenges in quantification. One measure of forest degradation is Partial Canopy Cover Loss (PCCL). In the period 2000–2012, PCCL was recorded in about 50 million hectares of forests in South and Southeast Asia, five million hectares in Oceania, and one million hectares in East Asia.

4. Wood is the most economically important forest product in the region, with three main sources: natural forests; intensively managed planted forests; and trees outside forests. Supplies of wood from

natural forests in Asia and the Pacific are declining. The logging of natural forests, although decreasing in importance in the region, remains the dominant wood-production system in several forest rich-countries, including Cambodia, Indonesia, Malaysia, Papua New-Guinea and the Solomon Islands, generating substantial income for governments through royalties and export taxes. Planted forests are increasingly becoming the principal focus of wood production in the Asia-Pacific region, although there remains a lack of reliable data on their share of wood production in many countries. Developments in wood-processing technologies, including reconstituted boards, are increasingly enabling the use of small-dimension timber grown in planted forests for most end uses and significantly shortening rotation lengths.

5. For many years, governments dominated the planted-forest sectors in most countries in the Asia-Pacific region. This has changed significantly in the last couple of decades and corporate investors, wood industries, institutional investors (especially pension funds through timber investment management organizations), smallholders and local community groups have increasingly entered the domain causing major changes - such as in the objectives of management, the technologies employed, productivity and end uses. In addition, many farming systems in the Asia-Pacific region have significant tree components that fulfil various economic, social and environmental functions. Notable sources of wood produced in systems outside forests include homegardens (in countries such as Bangladesh, Philippines and Sri Lanka), trees grown primarily for fruits, latex and other products, and trees grown primarily for wood production in agroforestry and as part of shelter systems.

6. A broad range of policy issues affecting forestry are attracting attention at both regional and global levels. An urgent need to repair the environmental damage caused by the development paradigm that has prevailed since the industrial revolution is giving rise to a more environmentally conscious society, driven at least partly by youth. Asia-Pacific efforts in restoring and rehabilitating forests have been encapsulated in initiatives such as the APEC 2020 Forest Cover Goal and the Regional Strategy and Action Plan for Forest and Landscape Restoration in Asia-Pacific. A new paradigm may be emerging that goes beyond a narrow economic calculus and redefines society–nature relationships. For example, modification of agricultural and forest landscapes has changed hydrological and nutrient cycles and carbon fluxes, resulting in cascading negative impacts. In Asia and the Pacific, increasing frequency and severity of climate-related disasters, including floods, droughts, typhoons, sea-level rise, landslides and wildfires, have left no country untouched in recent times. Heightened awareness of such impacts has triggered responses ranging from local-level protests against deforestation to international action to reduce greenhouse-gas emissions. The impacts of pests and diseases on forests are also garnering attention in the region, including through the efforts of the Asia-Pacific Forest Invasive Species Network (an APFC subsidiary body). Similarly, concerns are being voiced over issues that may compromise the effective functioning of forest ecosystems, including declining populations of pollinators, such as bees, and seed-dispersing species including birds. Ecosystem services, which previously were largely taken for granted or neglected, are gaining more attention from policymakers. The roles of forests in tackling climate change, increasing resilience and abating natural disasters are also receiving significant attention in global, regional and national dialogues. Forests and land-use change are important elements of the Paris Agreement, which countries adopted in 2015 and in the Nationally Determined Contributions proposed by many Asia-Pacific countries. They also feature prominently in other fora and commitments, including the Sustainable Development Goals (SDGs), emphasizing the need to mainstream environmental concerns into economic planning.

7. There is considerable public concern about forest illegality and the need for sustainable forest management. Global efforts to address illegal logging have made progress in recent times. Forest certification is expanding in the Asia-Pacific region, with a combined total of more than 29 million hectares of forests certified by the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification. In addition to the two global certification systems several countries in the region have created national certification systems. Various other initiatives have arisen in importing countries and regions with the aim of curbing illegal logging and associated trade, such as the amendment of the Lacey Act in the United States of America, Australia's Illegal Logging Prohibition Act 2012 and the European Union Forest Law Enforcement and Governance and Trade (FLEGT) Programme. A key

element of the latter is voluntary partnership agreements between the EU and participating producer countries, in which producer countries agree to take appropriate action to ensure that the timber they produce is fully legal.

8. Total roundwood consumption (industrial roundwood and woodfuel) in the Asia-Pacific region has remained more or less unchanged between 1990 and 2018, however the proportions used for each purpose have changed significantly. In 1990, industrial roundwood accounted for 26 percent of total roundwood consumption with 74 percent of wood burned for fuel. By 2017, the industrial roundwood proportion had increased to 41 percent of consumption with a corresponding decline in the woodfuel proportion. This reduction in woodfuel consumption has been one of the most important shifts in wood use in the Asia-Pacific region; largely stemming from rising incomes, increasing urbanization and the resultant increased access to commercial sources of energy.

9. The Asia-Pacific region has emerged as a leader in the production of a number of important forest products including wood-based panels and paper and paperboard as well as manufactured wood products such as furniture and joinery. A number of countries, including China, Indonesia and Viet Nam have provided significant incentives for investment in wood-based industries – especially wood-based panels and paper and paperboard - and this has led to a rapid expansion of production capacities. For example, wood-based panel production increased more than eightfold in the region between 1990 and 2017, while the production of paper and paperboard has more than tripled, making Asia and the Pacific the most important producing region, globally, for these product categories.

10. In the past several decades, there has been a surge in interest in the production of non-wood forest products (NWFPs) in Asia and the Pacific. Key reasons driving this increased interest include greater recognition of the roles NWFPs play in alleviating poverty and improving the livelihoods of rural communities, as well as scientific and technological advances that have increased the economic potential of many NWFPs. The immense diversity of non-wood forest products in Asia and the Pacific, and the variety of systems that produce them, makes it difficult to account accurately for their overall economic contributions. The most economically significant in the region include bamboo, rattan, honey, resins (including latex), gums, medicines, mushrooms and aromatic products. Similarly, this vast diversity makes it difficult to identify generic lessons that will help chart pathways forward for individual NWFPs. However, common challenges for NWFP suppliers in the region tend to include needs to: (i) establish broad markets characterized by strong competition; (ii) address imbalances in market power especially the dominant position regularly occupied by small numbers of buyers of raw products; (iii) ensure security of product supplies; (iv) create sustainable market positions to maintain competitive advantages; and (v) invest in research and development to assist in creating a clear product niche.

11. Trade flows among countries in the Asia-Pacific region are influenced by considerable differences in forest resources, populations, incomes and the overall state of development, policies, institutions and investment climate. Often, forest-product value chains are spread over several countries to take advantage of the unique strengths of each. Moreover, import sources and export destinations change in response to national and international policies and regulations and other factors such as currency exchange rates, labour costs, tax breaks for investments and proximity to markets. Considering the region's relatively limited forest resources and large population, Asia-Pacific has been a significant net importer of wood – especially industrial roundwood and sawnwood – during the past three decades. For example, in 1990 the region's industrial roundwood consumption exceeded production by 25 million m^3 and this increased to 36 million m^3 in 2010 and to 50 million m^3 in 2017. A similar trend can be observed in relation to the consumption of sawnwood. However, in the case of wood-based panels, the Asia-Pacific region (primarily China) has been a major exporter. In 2017, net exports (the excess of production over consumption) of wood panels amounted to 27 million m^3.

12. Conservation efforts at the national level, spearheaded primarily by governments, have focused largely on the establishment of protected areas such as wildlife sanctuaries, game reserves and national parks and, in some cases, on protecting keystone species. The extent of forests earmarked for

biodiversity conservation in the Asia-Pacific region increased from 68 million ha in 1990 to 119.2 million ha (16.5 percent) in 2015. The scope for further expansion in the area of forest designated for biodiversity conservation is limited in most countries, although the emerging concept of Other Effective Area-Based Conservation Measures offers potential to expand biodiversity conservation efforts without necessarily expanding the extent of protected areas. Another significant trend is towards enhanced quality of management of protected areas. On the other hand, it is also possible that some areas set aside for biodiversity conservation will lose their protected status as development pressures increase. In tandem with this, emerging evidence[1] that the health of global ecosystems, including forests, are deteriorating more rapidly than ever – with more than one million species threatened with extinction – is cause for significant alarm.

13. Despite a strong trend towards urbanization in Asia and the Pacific, forests continue to make significant contributions to people's welfare in the region, with many tens of millions of rural people dependent on forests for at least some part of their livelihoods. In this regard, forest tenure reforms that have endowed ownership, management or user rights to rural communities have significantly improved the welfare of many forest dependent people in a number of countries. One recent study[2] found that in the period from 2002 to 2017, across 16 Asia-Pacific countries, the area of forest owned by indigenous peoples and local communities grew by more than 15 million hectares, from 154 million hectares to 169 million hectares. At the same time, the area of forest designated for indigenous peoples and local communities grew by almost two million hectares. Further increases in private and community ownership of forests in the region seem likely as reform processes continue and demands for greater participation and social justice in forest and land management increase. Accelerating environmental concerns, including the challenges governments face in managing forests sustainably, are also likely to contribute to further development of community-based forestry programmes in the region. Over time, the objectives of community-based forestry in Asia and the Pacific have matured and increased in diversity, encompassing economic development, social justice, gender equality and environmental needs.

14. In late-2018, a survey was conducted of the Heads of Forestry in the Asia-Pacific region to help understand key changes in forest governance since 2010. More than two-thirds of respondents (15 of 20) perceived that participation of local and indigenous communities in forest governance had improved in the last decade in their countries. Nearly as many (14 of 20) indicated that gender issues and the participation of women had received greater attention, and 16 respondents reported that forest conservation and protection had been given more attention. Sixteen respondents also reported that the SDGs had been mainstreamed into forest policies. Overall, the perceptions of the Heads of Forestry are that forest governance in the region has improved over the past decade.

Conclusion

15. Forestry does not operate in a vacuum – it is embedded in the larger context of development and is affected and shaped, directly and indirectly, by global, regional, national and local changes and trends. Climate change, for example, has profound implications for forests. E-commerce, a technology-driven innovation that barely existed 15 years ago, is now a major factor in many forestry businesses. Satellites increasingly enable the real-time monitoring of forest activities and can help in cracking down on illegal logging. It is essential, therefore, to take the broader picture into account when considering the state of forests and forestry in the region. In particular, it is crucial to consider forests as part of the broader landscape, contributing to a sustainable mosaic of landuse and livelihood systems. In this regard, forests have vital roles to play in addressing global and regional challenges and trends, including hunger, food insecurity, water quality, biodiversity conservation, energy, climate change and urbanization. Addressing the wide range of demands on forests in the face of emerging climate and

[1] Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. 2019. Global Assessment Report on Biodiversity and Ecosystem Services.

[2] Rights and Resources Initiative. 2018. At a crossroads: consequential trends in recognition of community based forest tenure from 2002–2017.

biodiversity challenges (increasingly characterized as 'crises') will require transformational change in the way that forests are governed and managed. This will include embracing innovation, new financing and investment, reform of out-dated institutional and regulatory frameworks and more concerted efforts to work across sectors. A continuation of current, 'business-as-usual' paradigms will not be sufficient to avoid the looming crises. However, positioning forestry in this broader context of the 2030 Agenda and the SDGs will assist policymakers in meeting such challenges now and in the future.

Points for consideration

16. The Commission may wish to:

- Reflect on recent developments in the region and consider new developments in member countries that may be of particular significance and interest to other countries;
- Reflect on how various emerging regional and global challenges for forestry are manifesting themselves in the region and identify innovative solutions that member countries are pursuing that might be adapted for use in other countries; and
- Consider how governments and their forestry agencies might effectively respond to calls for transformative change including through collective actions.