

The World's Forests

EACH year, forests covering an area the size of Portugal are converted to other uses, mainly agriculture. The United Nations Food and Agriculture Organization, in its *Global Forest Resources Assessment 2000—Main Report*, estimates that during the 1990s, the world lost 95 million hectares of forests—an area larger than Venezuela—with most of the losses occurring in the tropics. This figure comprises a loss of 161 million hectares of natural forests to deforestation, offset by 15 million hectares of afforestation, 36 million hectares of natural expansion of forests, and 15 million hectares of reforestation. Most losses were due to large-scale conversions (see Chart 1).

These losses are significant because forests provide a complex array of vital ecological, social, and economic goods and services. About 25 percent of the world's people depend to some extent on forest resources for their livelihood, and about 500 million people living in or near dense forest—most of them extremely poor—depend crucially on it for their subsistence or livelihood. The International Labor Organization estimates that forestry and forest product industries provide the full-time equivalent of 47 million jobs worldwide.

Conservation and production must coexist

Large areas of forests must be protected for their ecological or cultural value. But much of the remainder inevitably will be used for productive purposes. It is important that such usage be sustainable. The same applies to degraded lands, which can be reclaimed for conservation and production. Grasslands on the island of Java, for example, that were severely degraded at the turn of the last century are now forest gardens that fulfill many ecological functions and support far more biodiversity than the degraded lands they replaced while yielding timber, fruit, spices, and other products.

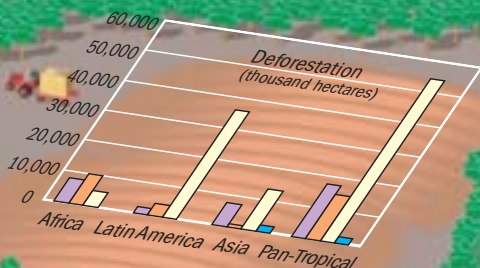
Community involvement is vital

An increasing awareness that forest-dependent communities—often poor and disadvantaged—must be proactively involved in the use and protection of forests is producing a global trend toward vesting ownership of forests with local communities (see Chart 2). Community participation in decision making and implementation is essential for good governance, equitable distribution of benefits, and sustainable resource management.

Chart 1

Where the forests go

- Conversion to small-scale shifting agriculture
- Conversion to small-scale permanent agriculture and other land uses
- Conversion to large-scale permanent agriculture and other land uses
- Conversion to agricultural and forest plantations

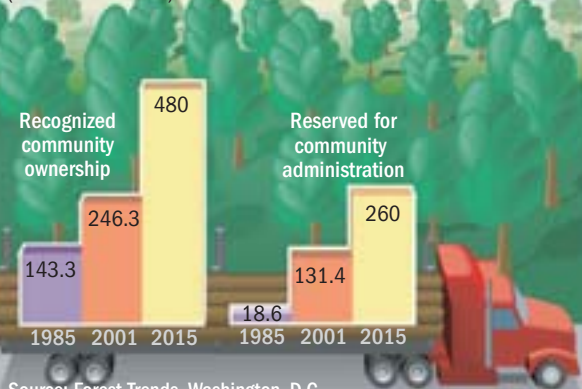


Source: Food and Agriculture Organization of the United Nations, *Global Forest Resources Assessment 2000* data.

Chart 2

Community ownership and administration of forests has increased dramatically since 1985

(millions of hectares)



Source: Forest Trends, Washington, D.C.

Balancing Economic Demands and Conservation

A growing role for private sector investment

Official development assistance (ODA) accounted for only a sliver of the funds available for forestry in the mid-1990s (see Chart 3) and, since then, has declined sharply. However, private sector investment—from both domestic and foreign sources—has been on the upswing, while direct public sector investment has dropped only slightly. Given these trends, legal and regulatory frameworks that support sustainable forest practices must be developed to promote responsible private sector investment, eliminate corruption, and develop innovative financing options and markets for forest environmental services, such as ecotourism, carbon offsets, and tradable development rights.

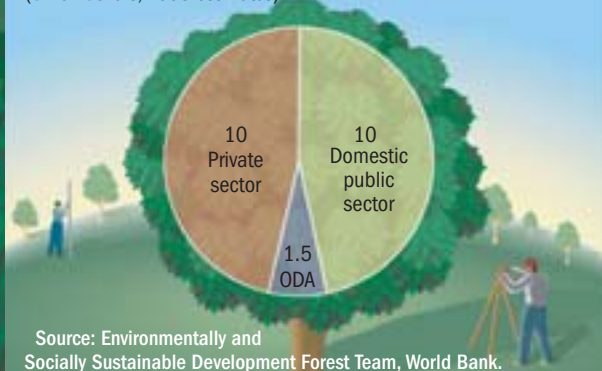
Economywide policies matter, too

Policy reforms and activities in sectors other than forestry can often have inadvertent and unrecognized effects on forests. Broad reforms, such as trade liberalization, can result in forest destruction if not accompanied by offsetting measures. The adverse effects of agricultural subsidies (estimated at \$300–350 billion globally) in encouraging unwarranted land conversion are well known, and inappropriate decisions in establishing plantations can have the same effect. For offsetting measures to be taken, forest management must become a vital part of overall development planning and economic support programs.

Chart 3

Where the money comes from

(billion dollars, 1993 estimates)



Source: Environmentally and Socially Sustainable Development Forest Team, World Bank.

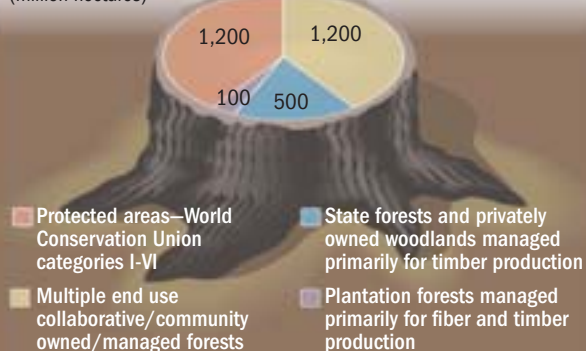
Looking ahead

The Global Vision for Forests 2050 project—an initiative that brought together leading experts, non-governmental organizations, industry, and donor institutions—yielded the following scenario for a global closed forest area of 3 billion hectares in 2050 (see Chart 4): an increase in community-owned and -managed forests (from 380 million hectares in 2000), and a significant increase in protected areas as defined under the World Conservation Union categories I–VI. The area of state and private production forests under intensive management would remain roughly the same as at present, and industrial plantation forests would increase slightly from 95 million hectares to 100 million hectares.

Chart 4

A possible global forest situation, 2050

(million hectares)



Source: Global Vision for Forests 2050 project.