

**Economic and Social Council**

Distr.: General  
23 March 2005

Original: English

---

**United Nations Forum on Forests****Fifth session**

New York, 16-27 May 2005

Item 9 of the provisional agenda\*

**High-level ministerial segment and policy dialogue  
with heads of international organizations**

**Linkages between forests and the internationally agreed  
development goals, including those contained in the  
Millennium Declaration**

**Report of the Secretary-General\*\***

*Summary*

When setting the priorities for action in the new millennium, world leaders recognized the significant role that sustainable management of natural resources plays in poverty alleviation and other human welfare issues. At the commencement of the sixtieth session of the General Assembly in September 2005, Heads of State and Government will comprehensively review the implementation of their Millennium Declaration. This will represent a unique opportunity to highlight how sustainable forest management can help to achieve the internationally agreed development goals.

The present report examines the linkages between sustainable forest management and many of these internationally agreed development goals, including poverty eradication, health, environmental sustainability, consumption and production patterns and energy. It also considers the importance of the enabling environment and means of implementation, together with the interrelationships between sustainable forest management and such issues as peace, security and good governance. It concludes by suggesting how the international arrangement might act as a catalyst in promoting the linkages between forests and internationally agreed development goals.

---

\* E/CN.18/2005/1.

\*\* The delay was due to the need to incorporate the key recommendations from the final report of the Millennium Project and its task force on environmental sustainability.

## Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction .....	1–3	3
II. Forests and the internationally agreed development goals .....	4–21	3
A. Eradicate extreme poverty and hunger .....	6–11	4
B. Health .....	12–14	6
C. Environmental sustainability .....	15–19	6
D. Sustainable consumption and production patterns .....	20	8
E. Energy .....	21	9
III. Enabling environment and means of implementation .....	22–32	9
A. Peace and security .....	23	9
B. Governance .....	24–25	10
C. Financial resources .....	26–31	11
D. Trade .....	32	12
IV. Conclusions .....	33–38	13
V. Points for discussion .....	39	14

## **I. Introduction**

1. The United Nations Millennium Declaration, agreed by Heads of State and Government at the Millennium Summit of the General Assembly held in 2000, provides an integrated framework of development related goals. It sets out a number of time-bound and measurable goals for the eradication of extreme poverty and hunger, universal primary education, gender equality, health, environmental sustainability and a global partnership for development. The Millennium Declaration was built upon a decade of major United Nations conferences and summits, including the United Nations Conference on Environment and Development, the International Conference on Population and Development, the World Summit for Social Development and the Fourth World Conference on Women. Since the Millennium Summit, other major conferences have been held, including the International Conference on Financing for Development and the World Summit on Sustainable Development, which added to the global consensus on these issues. Together, the outcomes of these conferences and summits constitute the international development agenda.

2. In its resolution 58/291, the General Assembly decided to convene in New York in 2005, at the commencement of its sixtieth session, a high-level plenary meeting of the Assembly, at which Heads of State and Government would participate. It will comprehensively review the implementation of the Millennium Declaration and inject new energy into the pursuit of the vision it embodies. This will represent a unique opportunity to highlight the contribution that sustainable forest management can make to achieving the internationally agreed development goals.

3. The present report has been prepared to facilitate deliberations during the high-level segment of the fifth session of the United Nations Forum on Forests to be held in New York from 16 to 27 May 2005. Section II examines the linkages between sustainable forest management and the achievement of the internationally agreed development goals relating to poverty eradication, health, environmental sustainability, consumption and production patterns and energy. Section III examines the linkages between forests and the establishment of an enabling environment, as well as the means of implementing these goals, with particular reference to peace and security, governance, financial resources and trade. The report concludes by suggesting ways to strengthen and enhance the contribution of forests to the international development agenda.

## **II. Forests and the internationally agreed development goals**

4. When setting the priorities for action in the new millennium, world leaders recognized the significant role that sustainable management of the natural resource base plays in poverty alleviation and other human welfare issues. Accordingly, in paragraph 23 of the Millennium Declaration, they resolved, inter alia, to intensify their collective efforts for the management, conservation and sustainable development of all types of forests. The Plan of Implementation, of the World Summit on Sustainable Development (Johannesburg Plan of Implementation), noted that sustainable forest management is a critical means to eradicate poverty, significantly reduce deforestation, halt the loss of forest biodiversity and land and resource degradation and improve food security and access to safe drinking water

and affordable energy. The Plan also recognized that actions are needed at all levels to enhance political commitment to achieve sustainable forest management and that this is a priority on the international political agenda.

5. The Millennium Development Goals translate the international development agenda into tangible and achievable targets and have achieved an unprecedented level of visibility and engagement around the world. For monitoring purposes, there are specific targets and indicators associated with each Goal: the proportion of land area covered by forests is an indicator for the target “to integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources”, under Goal 7. While there are linkages between forests and all the Goals, as well as other pressing issues on the international development agenda, the present report focuses on the most direct linkages, namely those relating to the eradication of extreme poverty and hunger, health, environmental sustainability, sustainable consumption and production patterns and energy.

## **A. Eradicate extreme poverty and hunger**

6. The first Millennium Development Goal is to eradicate extreme poverty and hunger. The target is halving the proportion of people living on less than a dollar a day and those who suffer from hunger. At present, one billion people live on less than \$1 per day and 831 million people are undernourished. The World Bank<sup>1</sup> estimates that roughly a quarter of the world’s poor and 90 per cent of the poorest depend substantially on forests for their livelihoods. Although such numbers may not be precise they are generally accepted to be in the correct order of magnitude.

7. More than 400 million people who live in or near forests rely on them for subsistence and income. They include an estimated 60 million indigenous people who depend almost entirely on forests. These forest-dependent people are among the poorest, most vulnerable and powerless groups. Typically, their subsistence is based on forest-fallow shifting cultivation systems, gathering of wild plants, hunting, and use of forest vegetation for grazing of livestock. Even this basic level of subsistence is threatened where tenure rights are insecure; often forest laws deny or limit the right to use wood and non-timber forest products, or rights of access and residence are denied. Such people often live in politically marginalized groups distinct from the dominant culture. Many forest-dependent people belong to the “other half”: those who will remain in poverty and face hunger even if the Millennium Development Goals targets are met. Moreover, while forest products may help them to cope with poverty, they do not necessarily help them to escape from it. In many countries, Governments have already recognized ancestral domain claims and the legitimate rights of forest-dependent people, and have strengthened community forest tenure or created new opportunities for community management. The establishment of rights for indigenous people and local communities is prerequisite for improving the livelihoods of these millions of forest inhabitants.

8. A further 1.2 billion people depend to some extent on trees and forests as part of their farming system. Some 60 to 80 per cent of farmers and smallholders in the developing world are women. Shortages of fuelwood often place particular burdens on women and girls, because they have to walk further to collect it. Many rural dwellers could benefit from growing trees to produce wood (for fuel, building or furniture), medicinal products or food (such as fruit, nuts, or fodder) and to provide

shade or conserve and fertilize the soil. Much is known about how trees and agroforestry can benefit smallholders and farmers and there are well developed systems for using trees to help maintain and improve soil fertility, rehabilitate degraded land and protect water resources. However, these proven agroforestry techniques must be adopted more widely, despite serious barriers, such as insecurity of land and tree tenure, lack of knowledge and lack of capital. It is often particularly difficult for women to obtain credit or security of tenure.

9. There are also 60 million people employed in forest industries around the world. Jobs range from traditional joinery to employment in large-scale wood-processing operations. In developing countries, many more people are currently engaged in small-scale processing and trading of forest products than are employed in larger scale forest industries. In addition, at least half of all these jobs are in the informal sector, where low levels of productivity, wages, stability and social protection prevail. Income from very small enterprises may not be reflected in national statistics, but small-scale forest-product processing and trade is often one of the largest non-farm sectors in the rural economy. Such income, from the sale of non-timber forest products, can be particularly important for rural women. In some places, local people derive income from ecosystem services, such as ecotourism or environmental protection, but this is not common.

10. Measures that promote general economic growth in rural areas should benefit forest-related enterprises, for example through access to credit, infrastructure development and improved access to markets. The Monterrey Consensus emphasized the role of microfinance and credit for small and medium-sized enterprises in enhancing the social and economic impact of the financial sector. In the rural areas of developing countries, forests and the forest industries may enhance employment and income generation. Small and medium-sized enterprises dominate the forest industry structure in developing countries and provide fruitful targets for credit programmes. Labour intensive wood and non-wood raw material harvesting and related small and medium-sized forest enterprises, including bio-energy production, have significant income and employment generating potential, especially in rural areas where proper economic foundations are often not in place. Economic growth, with consequent benefits in terms of poverty alleviation, can be achieved by helping small and medium-sized enterprises to meet their capital needs and improving access to markets. Sustainable forest management, when properly coordinated with other social and economic sectors, will be beneficial to local communities, particularly women.

11. During its discussions of the economic, social and cultural aspects of forests at earlier sessions, the Forum has addressed a number of important issues relating to poverty and hunger. Such issues were also considered at the panel discussion on forests and broader development goals organized during the fourth session of the Forum in May 2004. Nevertheless, in the future the international arrangement on forest could focus in greater detail on how best to realize the potential contribution of forests to poverty eradication and food security, helping to ensure that this is fully reflected in national forest policies as well as wider development policies, such as poverty reduction strategy papers. Furthermore, scientific knowledge, lessons learned and experiences of how forest activities improve the livelihoods of poor people need to be brought to the attention of the international forest community and, more importantly, of other forums and United Nations bodies, including the

Economic and Social Council and the Commission for Social Development, as well as the Permanent Forum on Indigenous Issues.

## **B. Health**

12. A number of Millennium Development Goals relate to health and there are a number of ways in which forests can have an impact on health. Forests can help to secure supplies of clean water and certain forest species can be an important source of medicinal products, and there are the more general health benefits that will stem from reducing poverty and hunger. Also, there is evidence that combating deforestation stems the spread of harmful pathogens.

13. More than 3 million deaths per year are attributed to water pollution and poor sanitation, mainly in poor rural areas. Despite the close linkages between land use, forestry, fresh water and health, these issues are rarely managed in a holistic manner. While deforestation and unsustainable management practices can lead to increased water pollution, sustainable forest management in watersheds can help to protect supplies of freshwater. This can be particularly important for some of the most vulnerable groups, such as poor people in rural areas, women and children.

14. Medicinal plants are a source of treatment for many diseases and can contribute to the achievement of the health-related Millennium Development Goals. For example, in Africa, more than 80 per cent of the population depend on plants for their medical needs, since a large proportion of the rural population has no easy access to expensive modern processed drugs. More generally, trees comprise two thirds of the species from which medicinal products are derived, and, at the same time, there is a growing interest in natural medicines in the developed world. Increased scientific research and the use of traditional forest-related knowledge of medicinal plants could greatly improve human health in many parts of the world. While this can benefit both health care and producers' incomes, careful management is needed to avoid any overexploitation of medicinal tree species that would put further pressure on forests. One way forward is for forest and agroforestry practices to focus on cultivating medicinal plants to meet these growing demands.

## **C. Environmental sustainability**

15. As the report of the Millennium Project task force on environmental sustainability explains, environmental sustainability means meeting current human needs without undermining the environment's capacity to provide for these needs over the long term. This is essential to achieving all the other Millennium Development Goals, and one of the Task Force's 10 recommendations is to promote forest management for protection and sustainable production.<sup>2</sup>

### **Deforestation**

16. As noted in paragraph 5 above, the proportion of land area covered by forests is one of the indicators associated with the Millennium Development Goal on environmental sustainability. Despite substantial progress in the formulation and implementation of national forest policies, deforestation and forest degradation continue at an alarming rate. The deforestation rate in the 1990s was estimated at 14.6 million hectares per year; since 5.2 million hectares were gained through

afforestation and natural expansion of forests, the rate of net deforestation was 9.4 million hectares per year (see table).<sup>3</sup> Most of the losses occur in the tropics, while in the non-tropical regions forests are expanding either naturally (for example on large areas of abandoned agricultural land) or as a result of afforestation programmes.

#### **Gross and net change in forest area, 1990-2000 (million ha/year)**

<i>Domain</i>	<i>Deforestation</i>	<i>Increase in forest area</i>	<i>Net change in forest area</i>
Tropical	-14.2	+1.9	-12.3
Non-tropical	-0.4	+3.3	+2.9
Global	-14.6	+5.2	-9.4

*Source: FAO, Global Forest Resource Assessment 2000.*

#### **Climate change**

17. There is strong evidence that the global climate is changing and that most of the warming observed over the last 50 years is attributable to human activities leading to greenhouse gas emission. The United Nations Framework Convention on Climate Change aims to achieve a stable level of greenhouse gases in the atmosphere that will avoid dangerous interference with the global climate system. Forests contain more than half of all terrestrial carbon, and account for most of the exchange of carbon between terrestrial ecosystems and the atmosphere. The Marrakech Accords acknowledged four major roles of forests in climate change: as a source of carbon dioxide when destroyed or degraded; as a sensitive indicator of a changing climate; as a source of biofuels to replace fossil fuels; and as a carbon sink, when growing. One global consequence of the loss of forest cover is its impact on greenhouse gas emission, with land use change (primarily deforestation) accounting for 20 per cent of man-made greenhouse gas emissions.<sup>4</sup> The Kyoto Protocol, which entered into force on 16 February 2005, establishes a number of flexible implementation measures: two of those, Joint Implementation and the Clean Development Mechanism, may include afforestation projects. In the future, the international arrangement on forests may seek to enhance collaboration with the Convention to strengthen the mutual supportiveness of sustainable forest management and climate change mitigation and adaptation, particularly in areas that are vulnerable to the adverse effects of climate change.

#### **Biodiversity**

18. Another global consequence of deforestation is loss of biological diversity. Tropical moist forests are the most diverse ecosystems on Earth, containing 60 to 90 per cent of the world's species. The goals of the Convention on Biological Diversity are the conservation of biological diversity, the sustainable use of the components of biological diversity, and the fair and equitable sharing of benefits arising from the use of genetic resources. Many of the Convention's articles apply to forest ecosystems, although it makes no specific reference to forests. However, the (non-binding) expanded programme of work on forest biological diversity contains three elements: conservation, sustainable use and benefit-sharing; an enabling institutional and socio-economic environment; and knowledge assessment and

monitoring. The Forum and the Conference of Parties to the Convention have addressed loss of forest biological diversity and collaboration between the Convention and the Forum. Cooperation between the Forum and the Convention, with the involvement of other CPF members, has focused on the relationship between sustainable forest management and ecosystem approach. However, due to the close linkages between forests and biological diversity there is considerable scope for strengthening collaboration.

### **Desertification**

19. The United Nations Convention to Combat Desertification aims to combat desertification, mitigate the effects of drought and contribute to the achievement of sustainable development. As acknowledged by the World Summit on Sustainable Development, the Convention constitutes a major international instrument to contribute to poverty eradication and meeting other Millennium Development Goals. Forests carry out important ecological functions which stabilize soils and help protect water resources. Forests and trees are also often key reserves of fodder that help maintain livestock during periods of extended drought. Conversely, deforestation can contribute to land degradation and desertification. There is considerable scope for further collaboration between the international arrangement on forests and the UNCCD in relation to the special needs of countries with low forest cover. Both the Forum and the Convention have addressed this issue, but to date little progress has been made

## **D. Sustainable consumption and production patterns**

20. The Johannesburg Plan of Implementation recognized that fundamental changes in the way societies produce and consume are indispensable for achieving global sustainable development. The Plan encourages an accelerated shift towards sustainable consumption and production, where appropriate de-linking economic growth and environmental degradation through improved efficiency and sustainability in the use of resources and reduced resource degradation, pollution and waste. Global demand for wood, including industrial roundwood, paper and fuelwood, continues to grow and is expected to do so for the foreseeable future. Local and regional supply scarcities will continue to put pressure on some areas of natural forest but, on a broad scale, the world's forests have the capacity to meet this increase in demand. Indeed, wood production in some areas could be significantly increased. Wood products harvested from sustainably managed forests can make a significant contribution to sustainable development and countries should promote and encourage the use of wood products rather than non-renewable products. The Marrakech Process, which is a 10-year framework of programmes on sustainable consumption and production, has focused on urban planning, transport, energy and chemical issues, but has not focused on forests or forest products. Forest resource issues have however been addressed primarily as part of an analysis of energy consumption in sub-Saharan Africa, where fuelwood and charcoal are the major energy sources, particularly for household consumption. The work of the Forum, and the objectives of sustainable forest management, are inextricably linked to sustainable consumption and the production of timber and non-timber forest products. In this regard, the Forum should explore ways and means to foster closer



linkages with the Commission on Sustainable Development, and other forums, that deal with consumption and production patterns.

## **E. Energy**

21. The Johannesburg Plan of Implementation also calls on Governments to diversify energy supplies and improve access to reliable and affordable energy services. Currently, about 2.4 billion people worldwide rely on fuelwood for cooking and heat.<sup>5</sup> While fuelwood can be produced without causing deforestation (for example, from well-managed plantations), there are places where the harvesting of fuelwood does contribute to deforestation, for example where it is used for large scale commercial charcoal production to supply cities in parts of Africa and Asia. The use of fuelwood for household cooking and heating can also cause health hazards and respiratory illness, especially in small spaces without proper ventilation. Recent studies point to an estimated 1.6 million premature deaths per year, mostly of women and children, due to indoor air pollution.<sup>6</sup> On the other hand, fuelwood is a renewable energy source that is environmentally preferable to fossil fuels because carbon emissions from burning are offset by carbon sequestration through tree growth. Pressure on fuelwood resources can be reduced by promoting a shift from relatively low-efficiency traditional fuelwood-burning stoves to other technologies. Depending upon circumstances, these can include improved biomass cooking stoves or larger-scale, more efficient, plants for converting fuelwood to energy. Since fuelwood and charcoal are likely to remain major energy sources in a number of developing countries, improvements in fuelwood-burning technologies are essential. There is scope for the Forum to consider issues of fuelwood supply and conversion technologies in more detail, in collaboration with the Commission on Sustainable Development, which is considering energy for sustainable development as a thematic cluster in its multi-year programme of work during 2006/07.

## **III. Enabling environment and means of implementation**

22. The Millennium Declaration recognized that success in meeting its objectives depends, inter alia, on peace and security, and good governance. It also noted the obstacles faced by many developing countries in mobilizing the necessary resources to finance their sustainable development. In January 2005, the Millennium Project, an advisory body to the Secretary-General, published a report,<sup>7</sup> which noted that while progress has been made in meeting the Millennium Development Goals in many parts of the world, many developing countries have little chance of meeting the targets by 2015. The report calls for donor countries to increase official development assistance to 0.7 per cent of their GDP by 2015. It also calls for high-income countries to open their markets to developing country exports through the Doha trade round.

### **A. Peace and security**

23. The vision of collective security illustrated in the report of the High-level Panel on Threats, Challenges and Change (see A/59/565), gives a broad meaning to

peace — linking development to security. Poverty, infectious diseases, environmental degradation and armed conflict contribute to each other in a vicious cycle, posing serious threats to peace and security in many parts of the world. The obstacles to development need to be addressed in a coherent and integrated manner, rather than as stand-alone threats. Similarly, there needs to be an integrated approach to sustainable development, dealing with issues of development assistance, trade, technology and national development policies in an integrated manner. Forests have a direct bearing on many of the clusters of threats to collective security. Conflict over the control of forests and other natural resources has often been an obstacle to peace. Illegal forest-related activities, sometimes associated with corruption and money-laundering, have provided funds which have helped to sustain some of the world's most persistent conflicts. This has also led to environmental degradation, and loss of resources that could otherwise benefit local communities. On the other hand sustainable forest management is in a strong position to foster sustained economic growth, helping to create employment opportunities that contribute to the foundations for peace. Indeed, forest-related activities, such as tree-planting and management, can form a useful part of post-conflict reconstruction programmes, by encouraging communities to work together for a common future. During the high-level segment there is an opportunity for the Forum to consider further the role of forest in conflict prevention, post-conflict resolution and reconstruction.

## **B. Governance**

24. As emphasized in the Monterrey Consensus, good governance is essential for sustainable development. Public participation, accountability and transparency, supported by effective institutions are crucial elements of good governance at all levels. Promoting corporate responsibility and accountability and the exchange of best practices, as well as the active involvement of civil society, are also important aspects of building stable policy and institutional frameworks. Weak law enforcement often leads to illegal activities in the forest sector, causing economic, social and environmental loss. The loss of potential public revenue from forests can in turn reduce funding for other public sector investments. Illegal forest-related activity on public lands worldwide is estimated to cause annual losses in revenues and assets in excess of \$10 billion. The conditions that make such illegal activity possible include poor governance, corruption and limited law enforcement capacity at local, regional and international levels, as well as market demand. International efforts are required, in both consumer and producer countries, to tackle illegal trade in forest products.

25. Cooperation in clarifying forest tenure and user rights, in strengthening the legislative framework, and in developing enforcement capacity and institutions, together with monitoring, control and verification techniques, have had some impact in reducing illegal activity, but this remains a serious and important issue. Illegal forest-related activity and related governance issues have received more international attention in recent years. High-level regional conferences on forest law enforcement and governance in Africa and Asia have explored ways for Governments, non-governmental organizations and the private sector to combat illegal activity and promote good governance. Similar conferences are proposed for Europe, Northern Asia and Latin America. Countries have committed themselves to

intensifying national efforts and strengthening bilateral, regional and multilateral collaboration to address forest-related crime. Concerted efforts to foster good governance and achieve effective forest law enforcement will help to create the necessary enabling environment for sustainable forest management to contribute towards achieving the internationally agreed development goals. During the high-level segment there is an opportunity for the Forum to consider further key forest law enforcement and governance issues at the global level.

### **C. Financial resources**

26. Mobilizing and increasing the effective use of financial resources is one of the crucial preconditions for achieving the internationally agreed development goals and finance is an integral element of the Millennium Development Goals on a global partnership for development. As recognized in the Monterrey Consensus, each country has primary responsibility for its own economic and social development and the role of national policies and development strategies cannot be overemphasized. Domestic investments are a critical resource for economic growth and sustainable development. It is crucial to have an environment that enables the mobilization of domestic resources, encourages productive investments, increases productivity and helps attract international finance.

27. An important feature of financing sustainable management is the need to address market failure. Many forest outputs cannot be sold on the market, and in many cases there are no mechanisms to compensate owners for providing environmental and social non-market services. This encourages unsustainable practices, hampers financing for sustainable forest management and contributes to deforestation. Another related cause of market failure can be a lack of exclusive ownership rights. Instruments aimed at tackling market failure and offering incentives to provide benefits such as watershed protection, biodiversity conservation, recreation and carbon sequestration would contribute to sustainable forest management, as well as socially more optimal forest activities.

28. Official development assistance (ODA) is still the largest source of external financing for many developing countries and is critical to the achievement of the internationally agreed development goals. ODA is especially important in those countries which currently have limited capacity to attract private and foreign direct investment. ODA is also an important complement to other sources of financing and can help mobilize domestic resources and facilitate private-sector activity. Over the last few years, development aid has shifted away from thematic projects, towards broader programmes and direct budget support; this makes it harder to monitor the level of ODA to the forest sector. If activities relating to the forest sector are to attract ODA, they need to be identified as a priority in poverty reduction strategy processes and/or similar macrolevel development and assistance strategies in developing countries. To achieve this, national forest programmes or similar frameworks should include clear statements explaining why forest-related activities are a priority and why external funding is justified. Such statements should clarify the significance of forests and the forest sector for reducing poverty, contributing to national economic growth and conserving key environmental services and values.

29. In addition to seeking financial outlays from national budgets and ODA, full advantage must be taken of other sources of funding. Forest fiscal reform provides

opportunities to increase revenues generated from forest resources. There may be scope to improve revenue collection by raising fees and royalties from timber harvesting and other uses of the forest. Capturing the full value of forests is one important means of financing to achieve the internationally agreed development goals. Inadequate rent capture decreases government revenues and acts as a disguised subsidy. To put this into perspective, a World Bank estimate suggests that losses from failure to collect fees and royalties from legal operations amounts to \$5 billion a year. This loss is more than three times greater than the level of ODA to the forest sector. Thus, the contribution that an efficient forest fiscal system can make to poverty reduction and economic growth is significant.

30. The private sector has a major role to play in forest-based development. However, proper macroeconomic, institutional and policy frameworks that encourage private sector investments are necessary. There is a need for the right enabling conditions, including clear forest tenure and use rights, a commitment to the rule of law and good governance, sound economic policies, market mechanisms, a positive investment climate and infrastructure, together with the existence of business opportunities that offer the prospect of a financial return commensurate with the risk. Private-public partnerships are potentially very important. They can take different forms, but generally combine the deployment of private-sector capital and expertise in a way which generates public benefits and receive commensurate public funding.

31. The issue of financing sustainable forest management has been extensively addressed by the Forum and its ad hoc expert group on financing and transfer of environmentally sound technologies. During its high-level segment, the Forum may wish to consider ways to secure increased finance for sustainable forest management through, inter alia, full acknowledgement of national forest programmes in key development planning processes, including poverty reduction strategies and equivalent mechanisms. The Forum may also wish to call on countries to create enabling conditions for private-sector investments and encourage environmentally and socially responsible investments in the forest sector.

## **D. Trade**

32. Both the Millennium Declaration and the Monterrey Consensus emphasize the potential of international trade to reduce poverty. A fair multilateral trading system and meaningful trade liberalization can benefit countries at all stages of development, serving as an important source of development financing. Trade in forest products is extensive and has been growing faster than production or consumption over the last decade. In recent years, successful multilateral trade negotiations have resulted in improved market access for forest products. Improving the access to markets of local forest sector producers is perhaps one of the most efficient ways to promote trade-driven development that reaches the poor. Well-functioning markets, from the village to the national and international levels, are important in providing an economically viable option for creating income and employment, especially in rural areas. There is a strong trend towards ownership of forests by local communities, which has provided low-income producers with new opportunities. At the same time, globalization and trade liberalization pose challenges for many developing countries, which need to be able to integrate into the world economy in an equitable way. The production of high-quality forest

products for international markets can require significant investment in advanced technology. There are many examples of this in developing countries: manufacturing and trade can create employment and help to alleviate poverty. Trade has been addressed as a common item in past Forum sessions. During its high-level segment, the Forum may wish to consider further the scope for advancing the issue of trade as an engine, both to promote sustainable forest management and to meet development objectives. In particular there is a need to continue efforts to enhance market access for forest products and services to benefit the poor.

## **VI. Conclusions**

**33. Sustainable forest management contributes substantially towards achieving many of the internationally agreed development goals. Proper recognition of the potential contribution of forests will to a large extent depend on how effectively the international forest community can demonstrate the importance of the linkages between forests and a number of relevant goals and associated targets. Setting clear objectives for international forest policy and linking sustainable forest management more closely to the internationally agreed development goals are avenues that warrant careful consideration at the Forum.**

**34. In addressing poverty, hunger and health, attention should be given to the opportunities afforded by forests to help meet the needs of forest-dependent people. Where forests play a critical role in enabling people to cope with poverty, their rights should be safeguarded by providing and securing tenure and access to wood and non-timber forest products. Respecting human rights and protecting vulnerable forest-dependent people are important elements of sustainable forest management and the creation of an enabling environment for poverty alleviation. To ensure coherent efforts at the national level, clear linkages between national forest programmes and other plans, including poverty reduction strategy papers, are essential. National forest programmes must clearly identify the relevance and potential role of trees and forests in achieving the Millennium Development Goals and highlight opportunities for scaling-up good initiatives.**

**35. The strong linkages between forests and ensuring environmental sustainability were highlighted in the Millennium Declaration. Some progress has been made to achieve the integration of the principles of sustainable forest management into country policies and programmes, such as national forest programmes or similar strategies. However, the alarming rate of deforestation continues to warrant international attention and there is a need to renew the pledge to combat deforestation and restore forest functions (such as production, protection and conservation) at the landscape level, by rehabilitating degraded lands with, inter alia, forest plantations, and to improve the livelihoods of poor people living in and around forests worldwide as a priority. Setting a global goal in this regard may serve as a catalyst for action at all levels and encourage countries to set their own national targets to fulfil this commitment. There is also a need for close cooperation on forest-related matters among the United Nations Forum on Forests, the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, the United Nations Convention to Combat Desertification, the Commission on Sustainable**

Development and other functional commissions, as well as stronger regional efforts in this regard.

36. Forest resources can be a fuel for conflict but they can also be used to help promote peace and stability, playing an integral role in reconstruction and peace-building, for example by offering opportunities for building community capacity and trust through forest restoration projects. Good governance, with a clear articulation of the principles of environmental and social responsibility, are prerequisites for sustainable forest management. Efforts should also be made to improve law enforcement and to curb illegal forest-related activities, which often result in the destruction of ecosystems and deprive forest-dependent communities of their livelihoods. The international arrangement on forests can facilitate cooperation to help realize the potential contribution of forests in conflict prevention, post-conflict resolution and reconstruction, and to help in addressing forest law enforcement and governance.

37. Finance is an integral element of the global partnership for development. Reforms in the forest sector, good governance and the creation of a stable and sound institutional and policy environment will help attract more international finance for development and contribute to the self-financing of the sector. These measures also contribute to more efficient use of ODA, which can in turn further leverage foreign direct investment, trade and domestic resources. The declining flows of ODA to the forest sector need to be addressed by focusing on the contribution that forests can make to achieving internationally agreed development goals. At the same time, there is a need to promote economic development through investment in forest-related industries; a fair multilateral trading system allows countries to take advantage of such opportunities.

38. The achievement of the Millennium Development Goals by 2015 will require a much stronger commitment on the part of developed and developing countries as well as civil society to work together to effectively address and find solutions to the most basic yet difficult problems of poverty and hunger. There is a need for a new paradigm on the interaction and linkages between people and precious natural resources. Forests are deeply entwined with other sectors of society and their management requires coordinated efforts and intersectoral approaches. The international arrangement on forests can act as a catalyst in ensuring that forests play their full part in contributing to the achievement of the internationally agreed development goals.

## **V. Points for discussion**

39. The Forum may wish to consider:

(a) Renewing the commitment to make global progress towards sustainable forest management. Such a commitment may also include an agreement on curbing the rate of net deforestation by 2015, while conserving natural forests, replanting forests and restoring forest functions and rehabilitating degraded forest landscapes and improving the livelihoods of poor people living in and around forests worldwide;

(b) Recognizing the role trees and forests can play in the achievement of the other internationally agreed development goals, including their benefits for

the livelihoods of over a billion people living in extreme poverty, and the vital environmental role of forests in promoting climatic stability, conserving biological diversity, and protecting coastlines, watersheds and soil;

(c) Further recognizing these issues as critical areas to be addressed in the future by the international arrangement on forests, and the need for enhanced cooperation with relevant instruments, intergovernmental organizations and processes, both within and outside the United Nations system;

(d) Highlighting the importance, in achieving the internationally agreed development goals and in promoting sustainable forest management, of the enabling environment and means of implementation;

(e) Developing effective implementation of national forest programmes or similar strategies and urging countries to fully integrate these programmes with broader national priorities and development planning processes, including poverty-reduction strategies;

(f) Recognizing the role played by civil society, the private sector, intergovernmental organizations, including members of the collaborative partnership on forests, and major stakeholder groups in promoting sustainable forest management worldwide.

#### Notes

<sup>1</sup> *Sustaining Forests: A Development Strategy* (World Bank, 2004).

<sup>2</sup> Millennium Project task force on environmental sustainability, "Environment and human well-being: a practical strategy" (2005).

<sup>3</sup> FAO, *Global Forest Resources Assessment 2000*, FAO Forestry Paper, No. 140 (2001).

<sup>4</sup> Intergovernmental Panel on Climate Change, Third Assessment Report. Climate Change 2001: the Scientific Basis. Cambridge University Press, 2001.

<sup>5</sup> International Atomic Energy Agency, *World Energy Outlook 2004*, (2004).

<sup>6</sup> United Nations, UNDP and World Energy Council, *World Energy Assessment Overview Update* (2004).

<sup>7</sup> United Nations, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals* (2005).