

*THE ROLE OF FORESTRY IN GREEN GROWTH: LESSONS
FROM MEXICO AND OPTIONS FOR FOREST AGENCIES*

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FORESTRY IN GREEN GROWTH

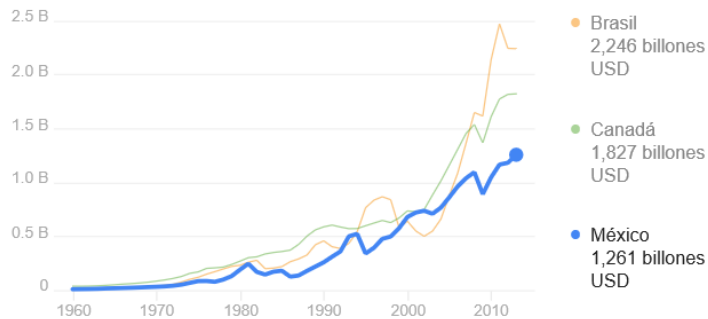
C O N T E N T

- Importance of the forestry sector
- Effect of public policy
- Role of Forestry in Green Growth (options for forest agencies)
 - Conservation
 - Forest as a source of commodities
 - Forest production
 - Forest cover restoration
 - Bioeconomics of forestry

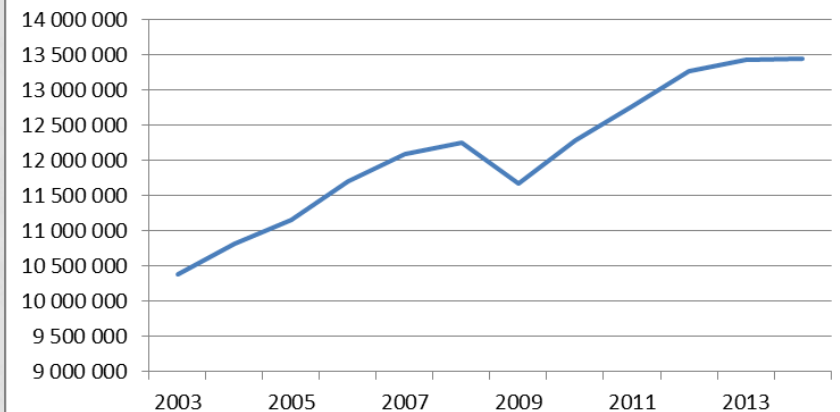
IMPORTANCE OF THE FORESTRY SECTOR

1,261 billones USD (2013)

México, Producto Interior Bruto

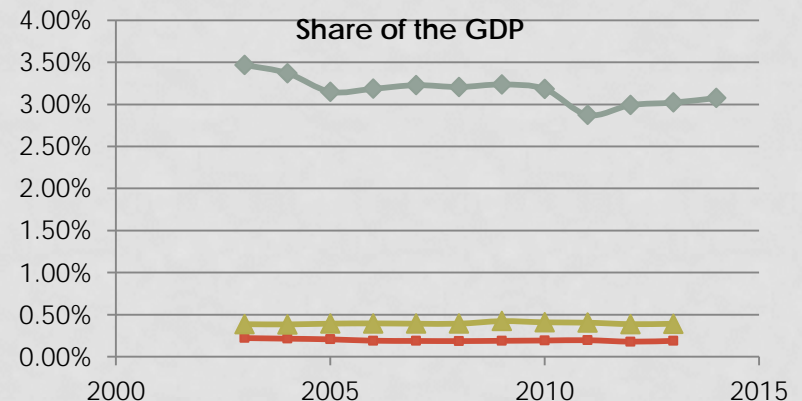


GDP (Million \$2008)



INEGI, SCN

CONEVAL | Indicador Global de la Actividad Económica
Comisión Nacional de Evaluación de la Política de Desarrollo Social
 enero 2010 – junio 2013



—●— agriculture —■— silviculture —▲— forest industry

INEGI, SCN

ADDITIONAL CONTEXT

- 1/3 of the area of the country has a forest cover
- 61% of the forest area belongs to forest communities
- The lowest levels of income are concentrated in forest areas
- During the 80's Mexico had levels of deforestation close to 1 Million ha a year
- Mexico is a net importer country of wood products, pulp and paper
- Total emissions close to 500 MtCO₂
 - Agriculture + Forestry contribute with 17%
 - Agriculture 12%
 - Forestry +LUC (5%)
- Goals in reduction of emissions (in law)
 - 30% of emissions by 2020 wrt base line
 - 50% of emissions by 2050 wrt 2020 base

(SEMARNAT, 2013)

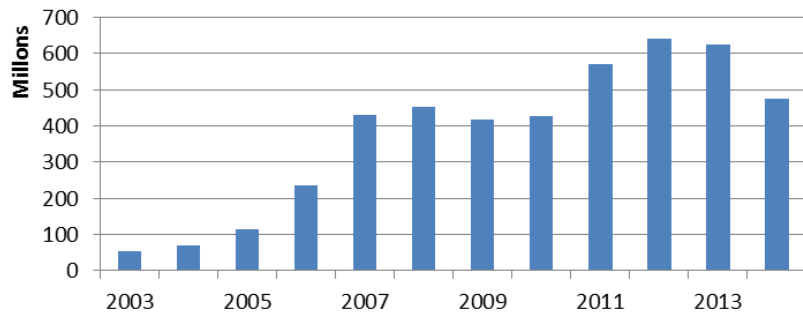
PUBLIC POLICY GOALS

1. Conservation of forests (reduce deforestation and protect biodiversity)
2. Increase the wellbeing of people living in forests (support community forestry, first subsidies to SFM)
3. Sustainable forest management

INVESTMENT IN THE FORESTRY SECTOR

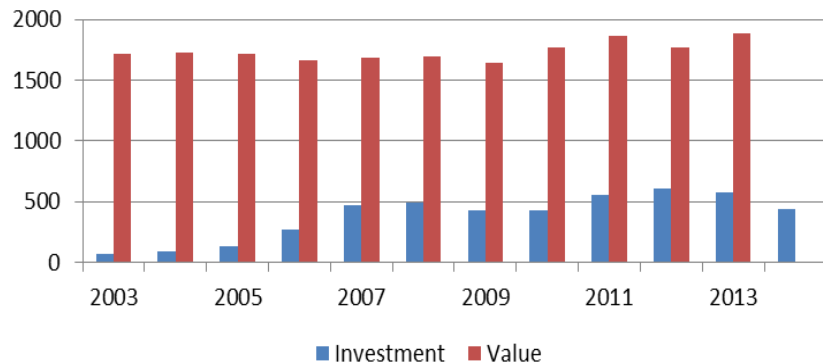
EFFECT ON TIMBER PRODUCTION

Total budget invested in Natural areas (Million US\$)



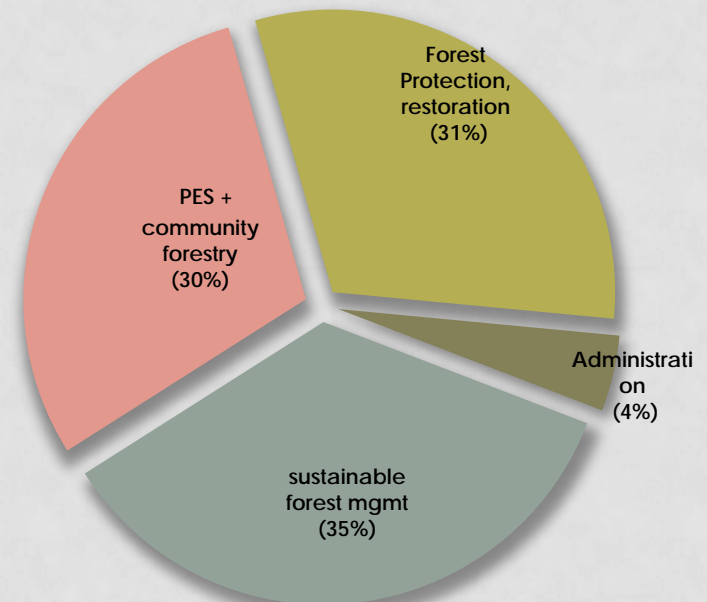
CONAFOR, CONABIO, CONANP

Investment in Natural areas vs Value of timber production (Million US\$ -2008-)



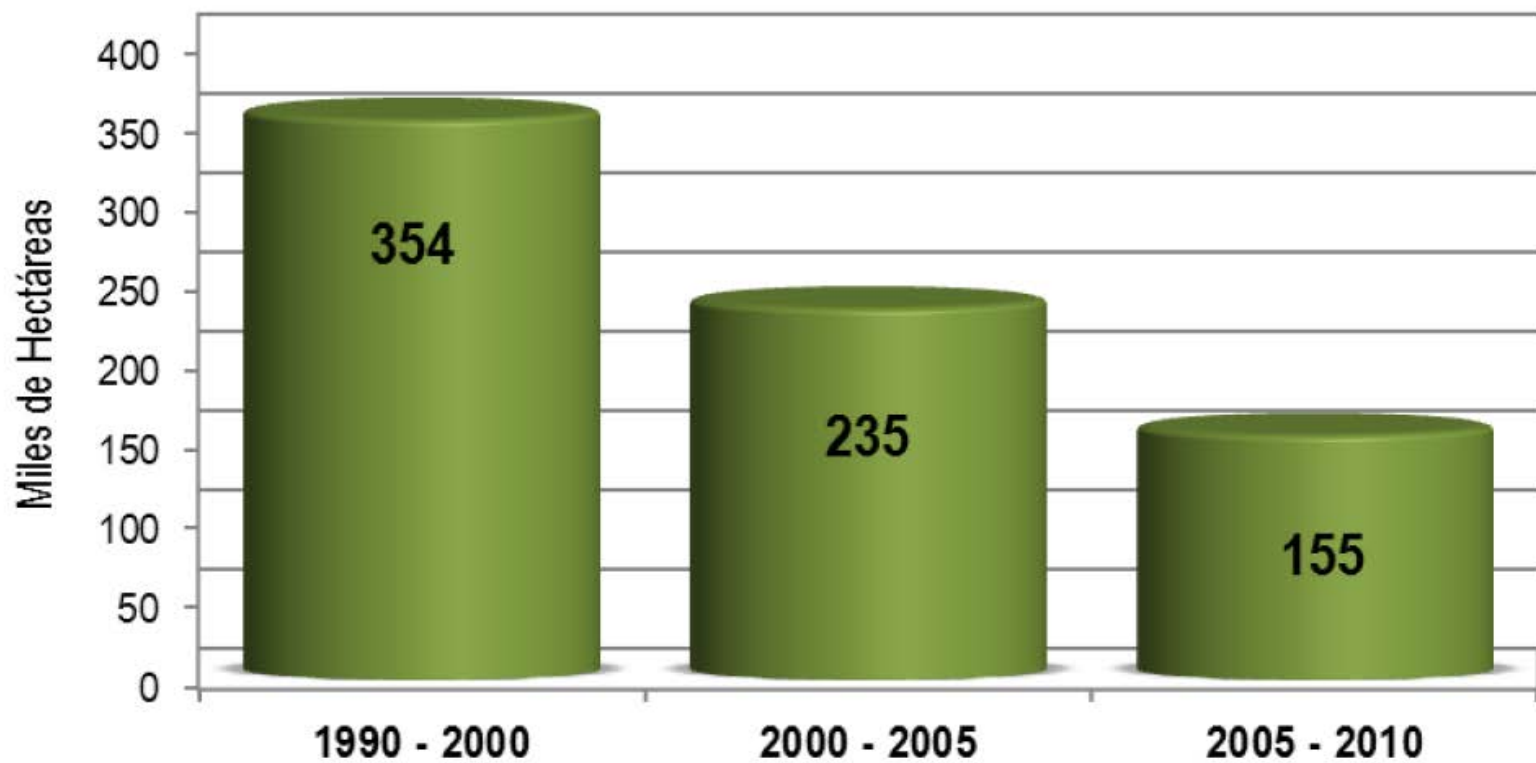
■ Investment ■ Value

CONAFOR INEGI



Torres, 2014

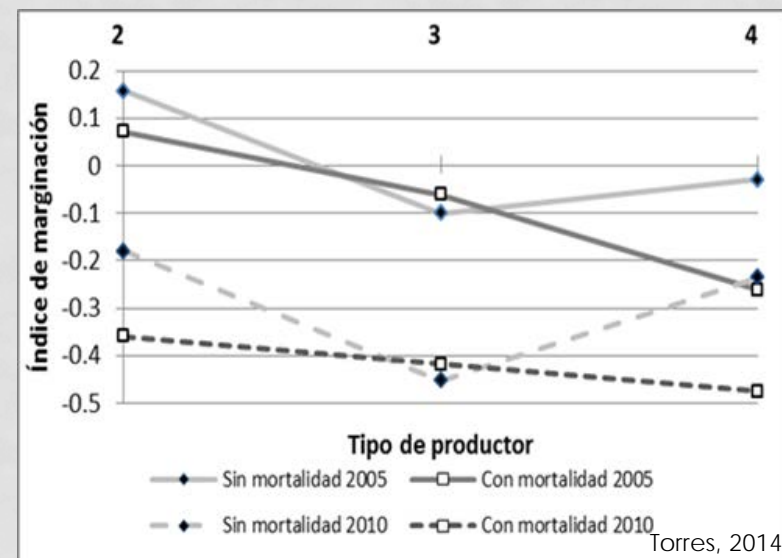
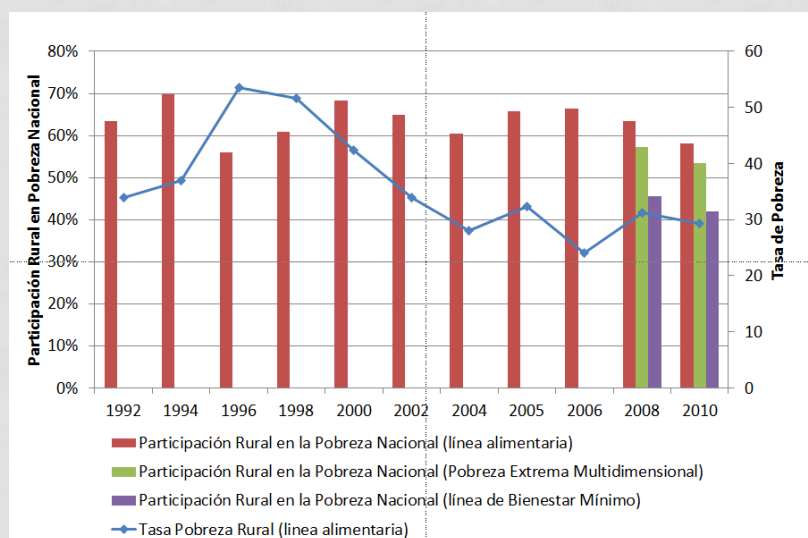
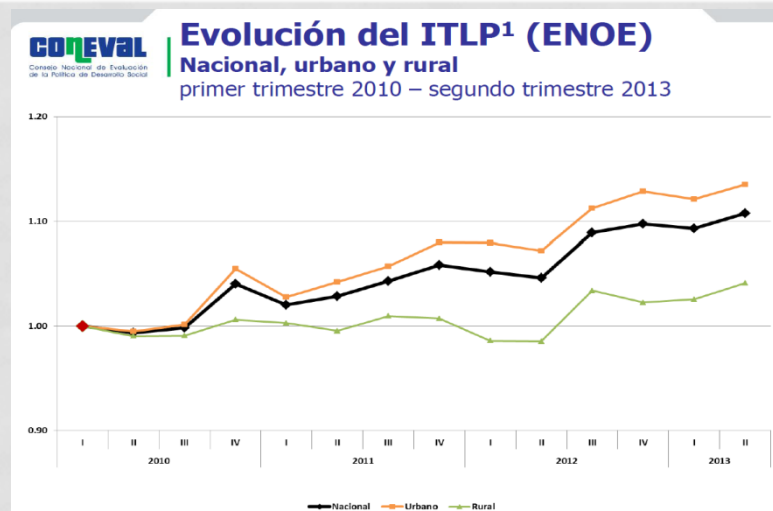
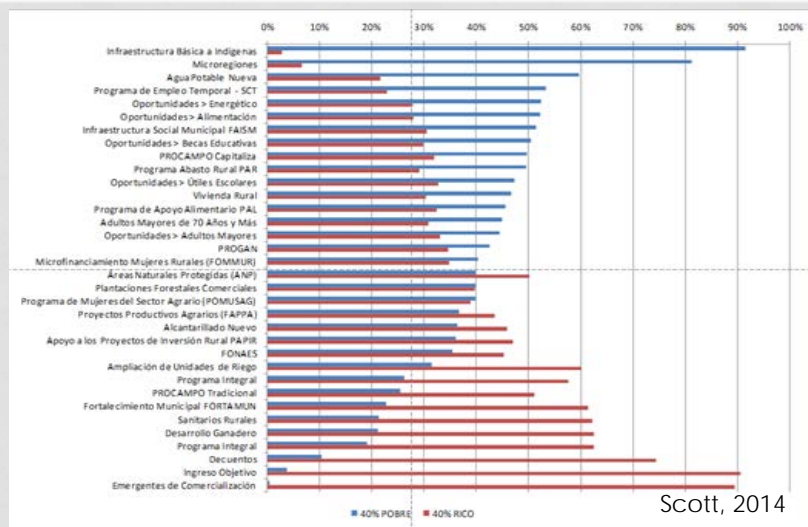
DEFORESTATION IN MEXICO



Source:
CONAFOR

INVESTMENT IN THE RURAL SECTOR

EFFECT ON POVERTY



CONSERVATION



Forests are an important form of natural capital which generates economic returns as well as important social, cultural, ecological and climate benefits. Therefore conservation of "Forest use" is a green growth strategy *per se*.



Source: WWF

POLICY INSTRUMENTS TO FOSTER FOREST CONSERVATION

Reduce the rent of extensive agriculture and grazing

Generate alternative income opportunities

Incentives for increasing agricultural productivity

Building capacities in alternative economic activities

Incentives for the development of secondary markets

Generate alternative land uses based on continuous tree cover (agroforestry, mixed policies)

Increase the Rent of extractive and protective forest strategies

POLICY INSTRUMENTS TO INCREASE THE RENT OF EXTRACTIVE AND PROTECTIVE FOREST STRATEGIES LESSONS FROM MEXICO

Market and quasi- market strategies

- ❑ PES -> "Fondos concurrentes"

- ❑ Forest Certification

- ❑ Domestic carbon markets

Intermediate strategies

- ❑ Wildlife Conservations Areas (UMA)

- ❑ Subsidies for forest conservation (PES, REDD+ pilots)

- ❑ Alignment with other public policies (poverty alleviation, improvement of agric. productivity & water use)

Obligatory strategies

- ❑ Natural Protected Areas

Voluntary strategies

- ❑ Sustainable Forest Management

- ❑ Best management practices

 - ❑ OTP

 - ❑ ATP

Costs to owner

ADDITIONAL TOOLS THAT COULD EXPAND THE EFFICIENCY OF FOREST CONSERVATION POLICY INSTRUMENTS

- Zero deforestation supply chain models
- Technology assisted transparency in the use of resources
- Additional alignment of policy instruments for rural development
- Targeting “groups” of instruments in priority areas



FORESTS AS A SOURCE OF COMMODITIES

- Timber and pulp
- Wood fuel and charcoal
- Non-timber forest products



POLICY INSTRUMENTS TO FOSTER SUSTAINABLE FOREST PRODUCTION (1)

Stimulate the forest productivity

“Zonas de reactivación” (reactivation areas)

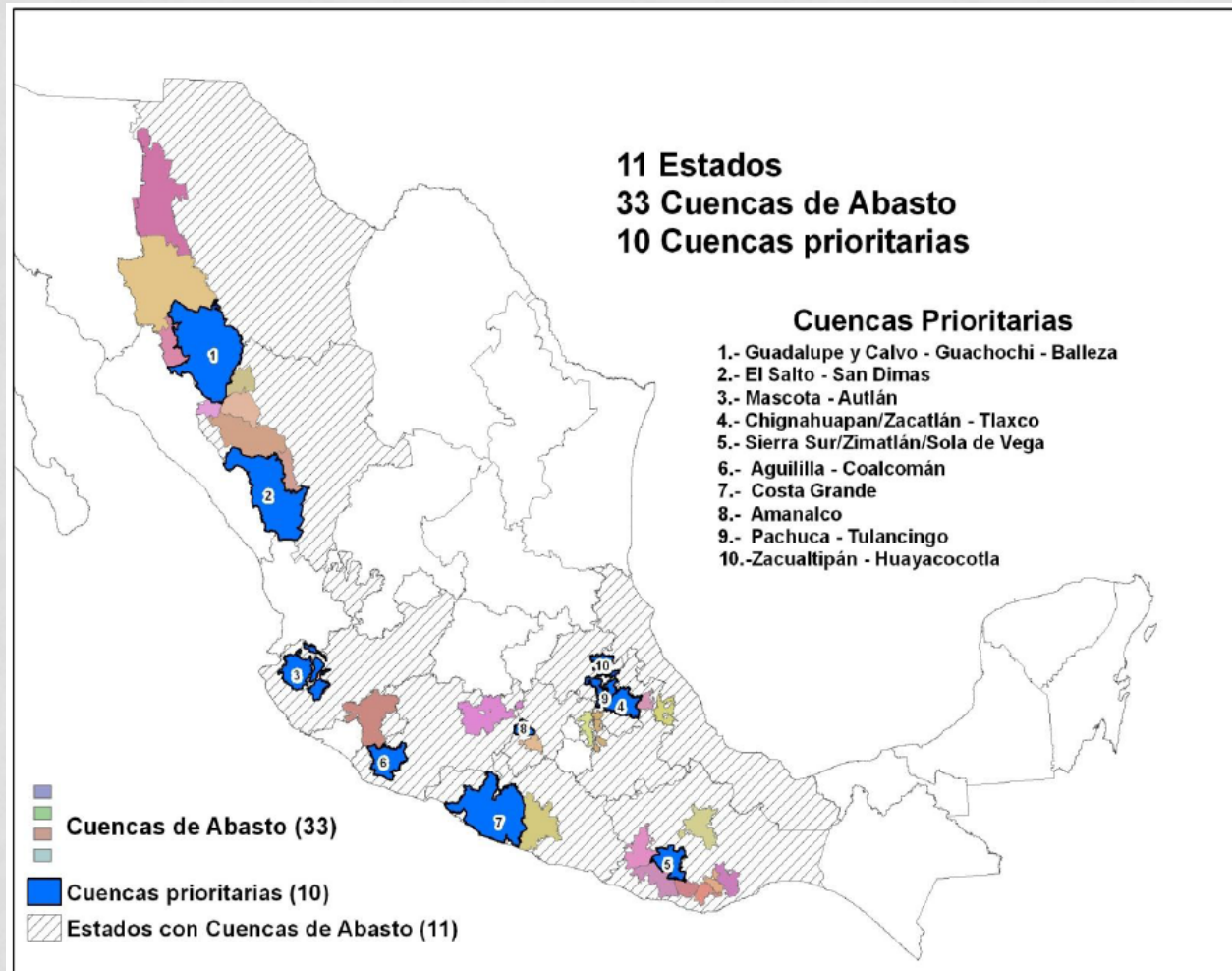
Increase in technical assistance

Development of information systems

Development of financial instruments

Development of secondary markets

POLICY STRATEGIES TO FOSTER SUSTAINABLE FOREST PRODUCTION (1)



POLICY INSTRUMENTS TO FOSTER SUSTAINABLE FOREST PRODUCTION (2)

Community forestry

- Capacity building

 - Institutions

 - Accountability

 - Organization

- Improvement of organization, entrepreneurial, financial and marketing skills

Secure tenure (property rights)

Improved land use planning

- Participatory land use planning

- Land scape planning (territorial units)

POLICY INSTRUMENTS TO RESTORE AND PROTECT FORESTS

Community-based & regional-based wildfire prevention and control

Programs to foster soil and forest restoration in degraded lands

Subsidies for the establishment of commercial forest plantations

Restoration of forest lands in Protected areas

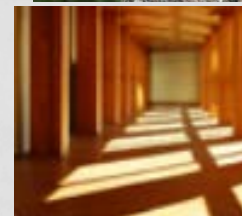


BIOECONOMICS OF FORESTRY POTENTIAL IN MEXICO

- Diversification through wood-based products and subproducts
- Improvement the marketing for nontimber forest products
- Bioenergy production and use
- Increase the use of timber in construction and automobile industries
- Increase the biomass production



Bioeconomy cluster



CONCLUSIONS

Forests play an important role in green growth especially in those areas where biodiversity and poverty are more notorious.

Promotion of a green economy can be used as mean to improve valuation of environmental services, to extend the use of non-timber products, diversify the use of wood-based forest products and foster conservation, protection and sustainable management of forest resources.

Thank you