Second Assessment of the Impact of COVID-19 on Forests and Forest Sector in Western Europe and Other States

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The sixteenth session of the UN Forum on Forests (UNFF16) in April 2021 requested the Forum secretariat, in collaboration with members of the Forum, CPF member organizations and stakeholders, to conduct an assessment of the challenges faced by countries, and the strategies, recovery measures and best practices for reducing the impact of COVID-19 on forests and forest sector, and to present it to the Forum at its seventeenth session in May 2022. To conduct this second assessment, the UNFF Secretariat commissioned a series of assessments in different regions and subregions.

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The UNFF Secretariat has commissioned a series of reports for the major UN regions with the objective of providing information on the challenges faced by countries, including strategies, recovery measures and best practices for reducing the impact of COVID-19 on forests and the forest sector. The geographical scope of this report is the Western Europe and Others Group (WEOG)

The COVID-19 pandemic, which started in autumn 2019 has claimed the lives of more than 5 million people globally and left many more in poor health. During the past two years,ICg

¶ – Do you feel that the experience gained from tackling COVID-19 been helpful for raising awareness of other slower but more invidious challenges such as climate change? Has the appreciation and understanding of risks, and the need for methods to mitigate these, changed, leaving forests and the

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was support to employees who were laid off and to self-employed people. The latter was valuable for the forestry sector as much field activity, such as planting and harvesting, is undertaken by the self-employed.

Because forestry field work in the region is generally highly skilled and tasks such as harvesting require people with certified competence to meet health and safety requirements, in a number of countries specialised non-nationals may carry out a significant proportion of certain operations; COVID-19 travel restrictions prevented these people crossing borders. This was not reported as a problem in Germany or Finland, but Norway has found it to be a serious issue in forest

experiencing a relatively strict and prolonged lockdown compared to other countries in Europe, the decline in economic activity in Ireland, as measured by headline GDP, was relatively benign.

The Australian government is concerned about domestic wood-fibre security, as well as the impacts of changes in trade relationships in the forestry sector that were partially influenced by Covid. Through Australia's ongoing Regional Forestry Hubs (RFHs), industry, state and local governments, and other key stakeholders are working together to undertake strategic planning, technical assessments and analyses to support growth in the forest industries in their region. It is anticipated that this work may now include exploring issues highlighted by COVID-19, such as domestic processing capacity, domestic market supply, and other supply chain issues.

It is posited that the pandemic has, in Australia, reinforced the importance of addressing the issues of fibre security and supply that were already focused on, including through the National Forest Industries Plan. The COVID-19 pandemic, taken together with the2019/20 bushfires, has perhaps focused attention more on dealing with the impact of immediate, unforeseen shocks to the industry, rather than on methodological long-term planning.

Despite current uncertainties, Australia is committed to growing 1 billion additional plantation trees by 2030 in response to the projected increased demand for timber products in the future, potentially decreasing the need to rely on imports. However, the extreme bushfire season of summer 2019-20 affected 130,000+ hectares of plantations as well as substantial areas of native forest used for timber production. Together with the effects of COVID-19, this has created a perfect storm of supply disruption for industries and individuals. In terms of future planning. Australia's response to this challenge, however, is most heavily vested in understanding how it might manage the impact of bushfires for the forest sector, rather than future planning around pandemics.

In Finland, the forest sector experienced an upturn while Norway experienced increased prices for lumber and roundwood but the current uncertainty over future demand and prices has made it harder for the forest industry there to plan future investment.

In 2021, the sawn timber export volume increased by 12% while the price increased by 40%. It is expected that in 2022, the price increase will drop to 20% while volume growth will slow to only 2%. For plywood, the export volume increased by 17% but the price by only 5%, both these values are expected to fall slightly in 2022.

While profitability has been good in sawmilling and board production, it has been less so in the pulp and paper sector. Carton board was the top Finnish forest industry project with strong demand in Europe but falling demand in China, reflecting the growth in internet shopping in Europe. The market for Kraft liner paper was also strong but both demand and price for these products is expected to fall in 2022 as demand weakens and costs will be pushed up by the expected inflation.

Finland has historically imported substantial quantities of roundwood from Russia but the new export tax from 2022 is projected to lead to reduced imports and increased removals from national sources. The return on investment for private forest owners was less than 3% in 2020. This rose to 10% in 2021 but is expected to fall again to around 3% in 2022.

Overall employment in the forest and forest industry sector is expected to be stable following a slight decrease in 2020 and then an increase from new industry investment in 2021 and 2022 and despite an expected fall in the paper sector. New legislation and emissions taxes on the burning of coal and peat is expected to lead to an increase of 6 to 7% nationally in demand for wood pellets to replace these fuels plus increased demand from exports.

The report notes a number of risks and uncertainties. The first of these is the Omicron variant of Covid. Although so far this has proved less serious than earlier variants, its infectivity is leading to restrictions on movement and people isolating, which will affect employment patterns. Wider issues identified include the global supply chain issues, which have still not recovered since early 2020, debt bubbles and monetary crises, which are at least partially Covid-related, and rising global political tensions such as that between China and the United States.

The UK experienced increased demand as well as supply constraints,ints and interconnected. China provides an interesting example of thi to the lower visitor number levels recorded before the pandemic. This information is still being processed by the Federal Institute for Forest Snow and Landscape Research (WSL) with publication planned in 2022.

There have not been any detailed studies reported from Australia but indications are that multiple use forests may have seen increased popularity for recreational use due to limited other travel opportunities. Other, less accessible areas, may have seen re

Table 2: Green recovery policies in the forest sector in WEOG countries retrieved from the OECD Green Recovery Database (OECD 2021a), November 2021

R&D subsidies	Forest fund aimed at funding research projects that help enhance climate adaptation of forests; this includes measures to protect and enhance biodiversity, increase the natural forest protected areas, etc…	386
Tax reduction / Other subsidy	Increase by 20% the fraction of salary that can be deducted for donations: from 45% to 60%. This measure applies to all registered charities including charities that purchase and restore nature.	25
	Biodiversity and adaptation to climate change of the Walloon Region – Forests and Re-meandering of water courses	37
	Biodiversity and adaptation to climate change of the Walloon Region – Protected areas & National parks	55
Grant/Loan (including interest-free loans)	EUR 10 million is proposed for "Metsähallitus" (the Finnish Forest Administration) for the rehabilitation of nature sites and the development of their infrastructure. A sum of EUR 13 million is proposed for projects involving green areas, water services and forest conservation. Funding is also proposed for the development of nature and wildlife tourism (EUR 3.1 million); for the renovation of wetland (EUR 1.8 million); to promote flood protection, water renovation and migratory fish (EUR 6 million).	37
Other or not specified	Forest	221
Tax reduction / other subsidy	HEDNO network upgrades aiming at enhancing resilience and protecting the environment	66
	HEDNO overhead network upgrading in forest areas	44
	National Reforestation Plan and Parnitha flagship investment	247
	Forest firefighting, prevention and response equipment	127
Grant/Loan (including interest-free loans)	Digitization of national parks	110
	Renaturation of the Po area: The project consists of the redevelopment of the river Po with the aim of balancing the active morphological processes, to ensure the renaturation of the river	397

	Reclamation of orphan sites: The aim of this intervention is to give the land a second use, favouring its reintegration into the real estate market, reducing the environmental impact and promoting the circular economy.	551

Respondents were asked to report on any recovery measures or changes to policies, strategies or approved practices that have been made. The subparagraphs below summarise responses received that concern changes to political perceptions of forests and responses received that have more to do with disaster preparedness, such as with regard to risks from climate change.

In Ireland, the COVID-19 pandemic has not had an environmental impact but other policy instruments such as the European Green Deal, EU Forest Strategy and EU Biodiversity Strategy will have significant effects on the long-term relationship between forestry and environment. There is increased capacity for remote working to prevent any administrative delays. The Irish government has continued to highlight the important role that the forest sector can play in maintaining employment in the rural economy and on the role that forest parks can play as a valuable recreation resource for people in the current circumstances.

regarding the decision-making process, due to the informal nature of some meetings. However, this has improved as requirements and processes became more familiar to all participants.

In the UK, COVID-19 restrictions galvanised wider uptake of IT systems and virtual communications that were already in use and this change is likely to continue and increase. There is also now active development of less formal virtual spaces where people can meet for social contact and/or exchange ideas and information by optimising the use of IT systems and capitalising on the roll out of 5G telephony as well as cabling. While there are clearly benefits from this wider access and from new communications opportunities, the question of how to resolve complex and difficult issues, particularly where there are strongly divergent views, without face-to-face contact remains to be resolved. There is also the issue of ensuring security for such communications as they encompass increasingly more information.

Like Norway, the UK noted that increased use of IT reduces travel, including commuting, also noting that this is a

The effects of COVID-19 on the forests and forest sectors in the countries in the WEOG region have been more limited than in other regions of the world where large numbers of people depend on forests for their livelihood and may use them as a buffer in times of need. All of the WEOG countries are developed economies and have been able to fund responses such as financial support to those directly affected. The two predominant points of impact are changes to the demand for wood products, driven by disturbed international trade patterns and alterations to domestic demand, and, in most countries, much increased use of forest areas for recreation.

At the same time, other regular forest influences have resulted in impacts that make it hard to tease out specific effects from COVID-19. As well as regular storm damage in northern Europe, which may be becoming

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