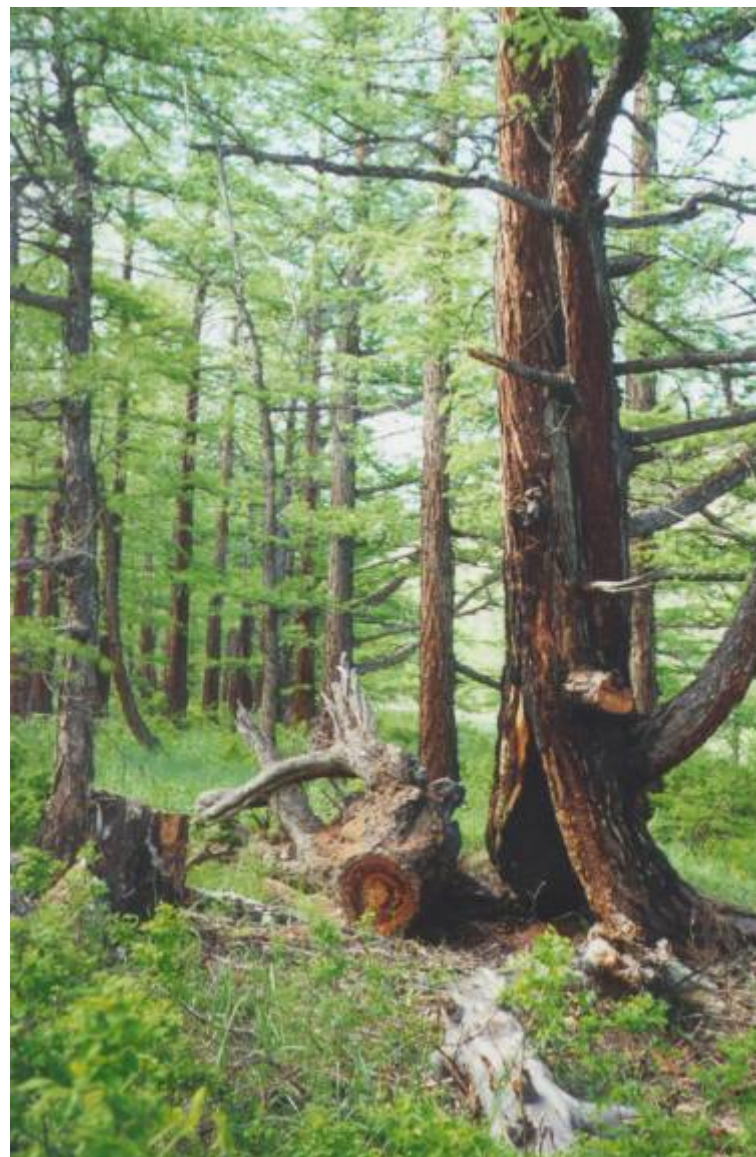




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Perspective Vision for Forest Sector Cluster Programs Towards Sustainable Socio-Economic Development in Eastern Russia and Northern China

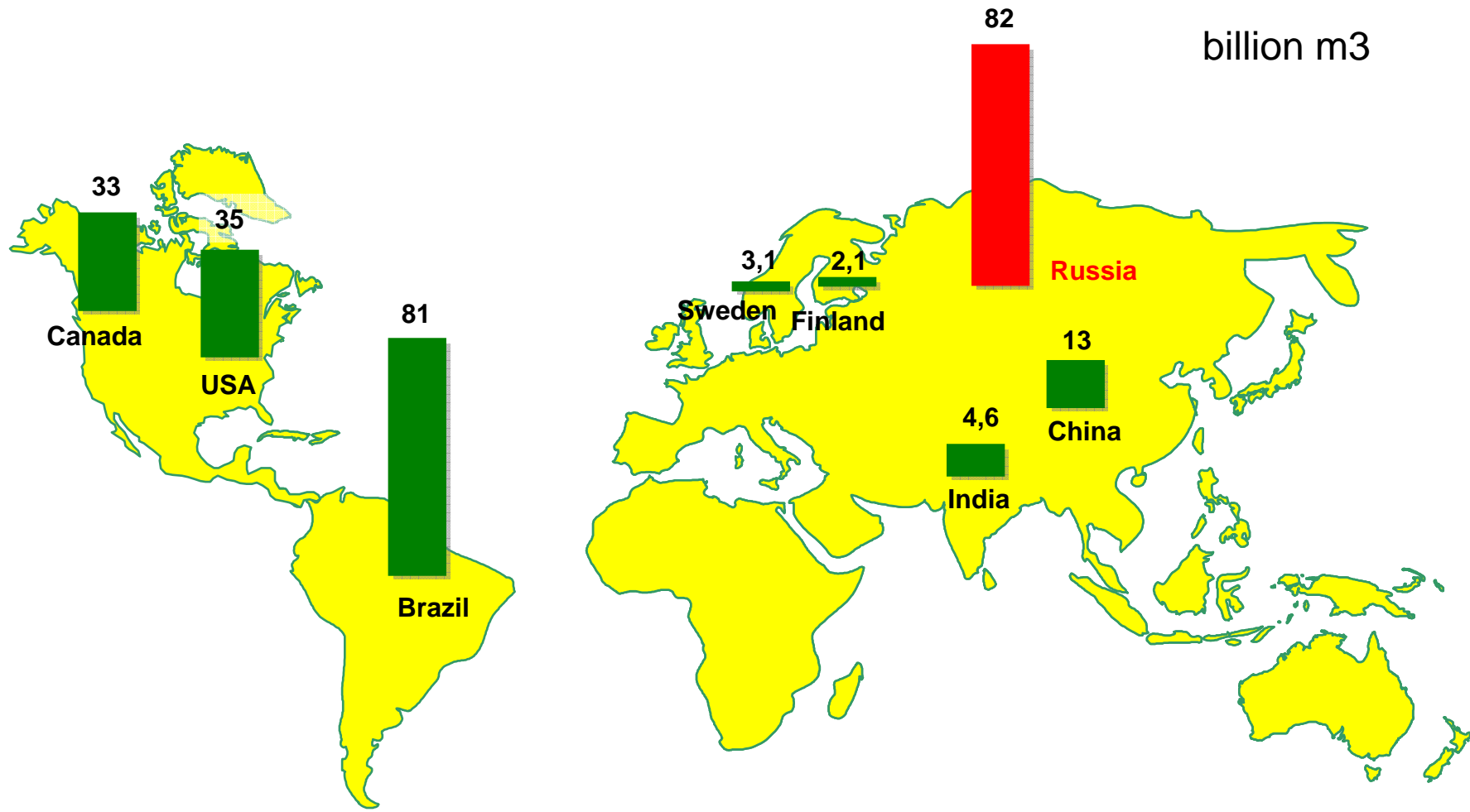
Andrey Kushlin
Senior Forestry Specialist
World Bank



Forest Products Trade between Russia and China: Encouraging Responsible Enterprise
Informal Consultations convened by Forest Trends – Burduguz, Lake Baikal, August 17-18, 2006

Russia's Forests

23% of the World's growing stock

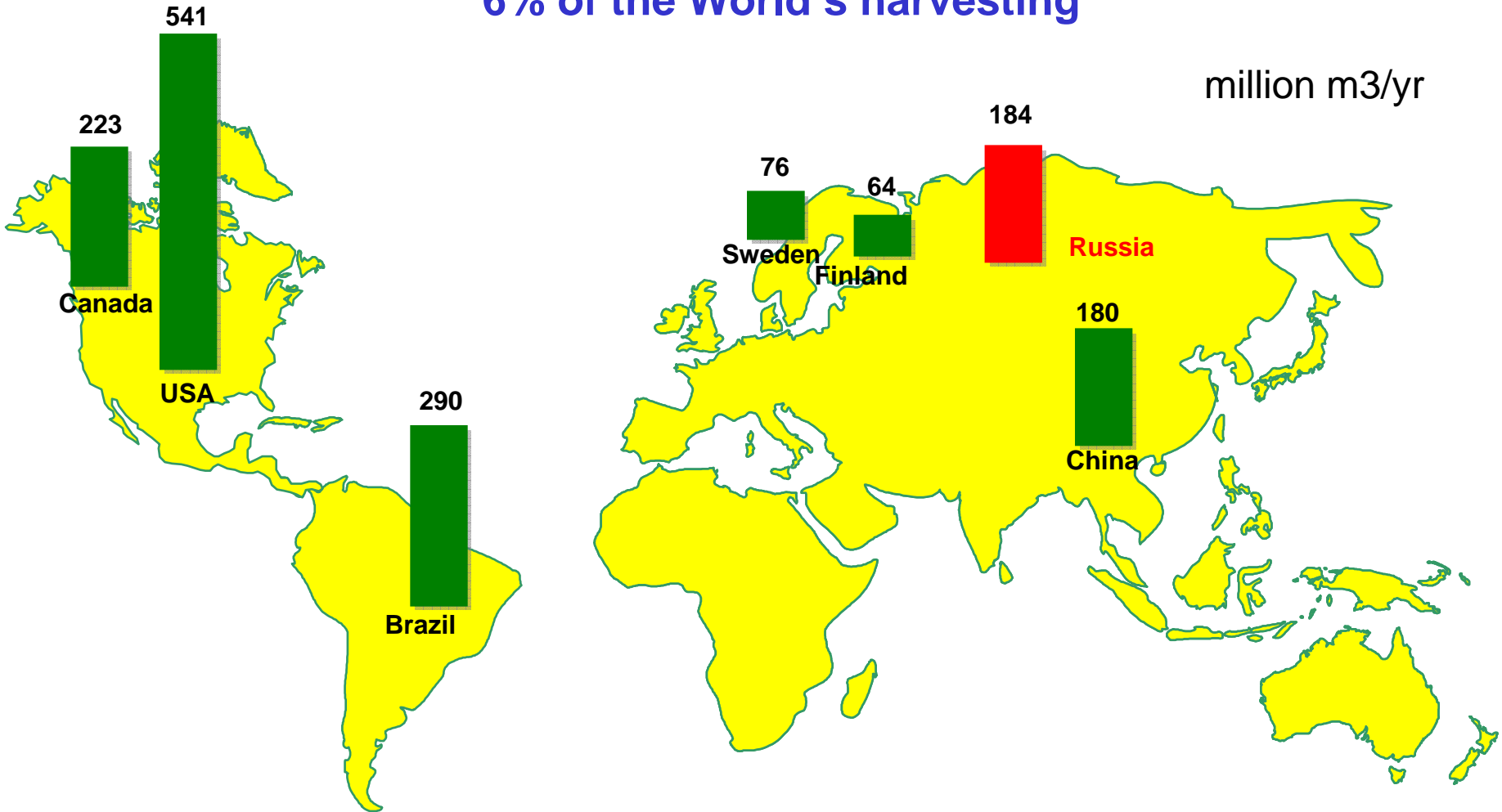


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Russia's Forests

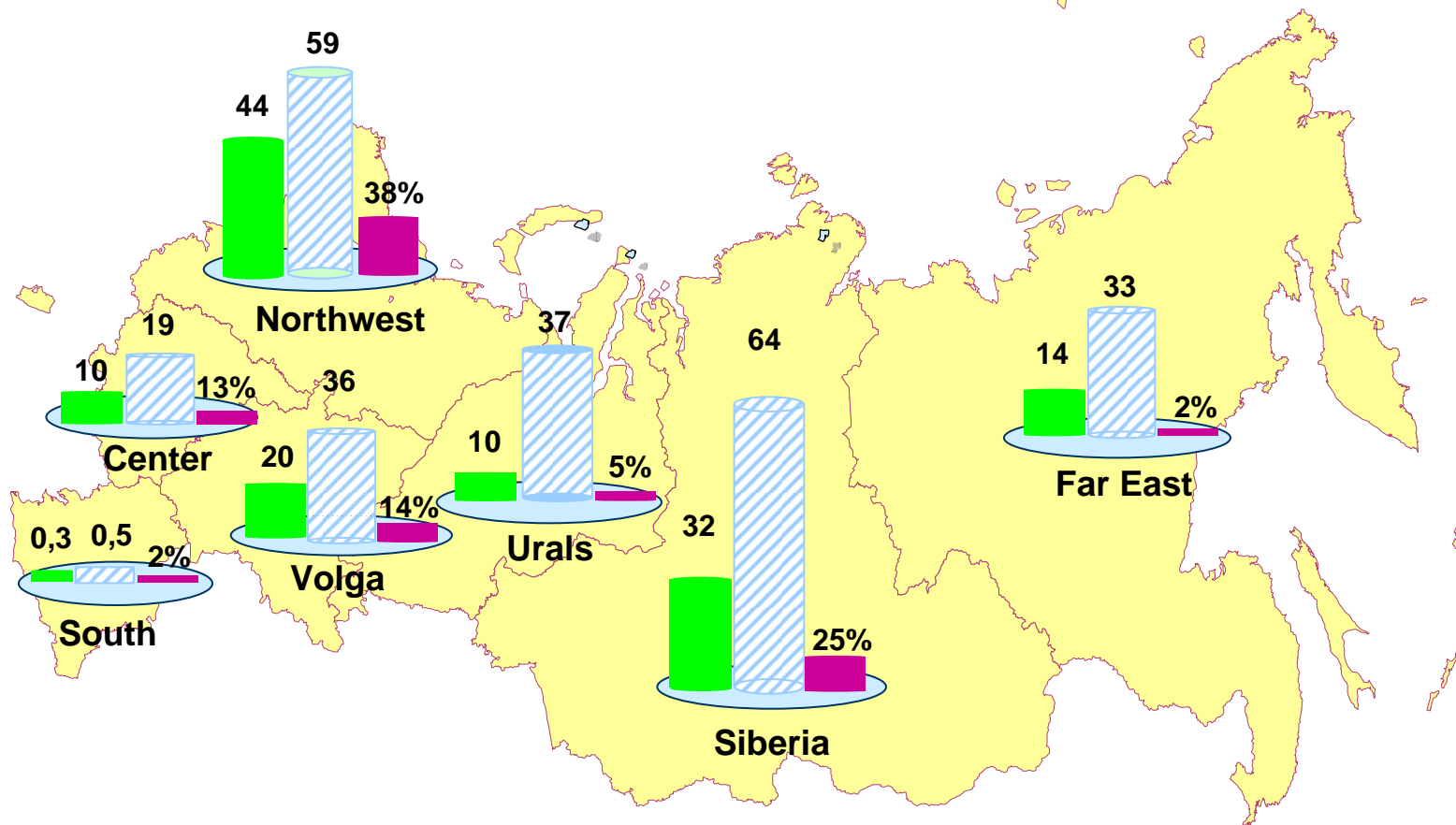
6% of the World's harvesting

million m³/yr



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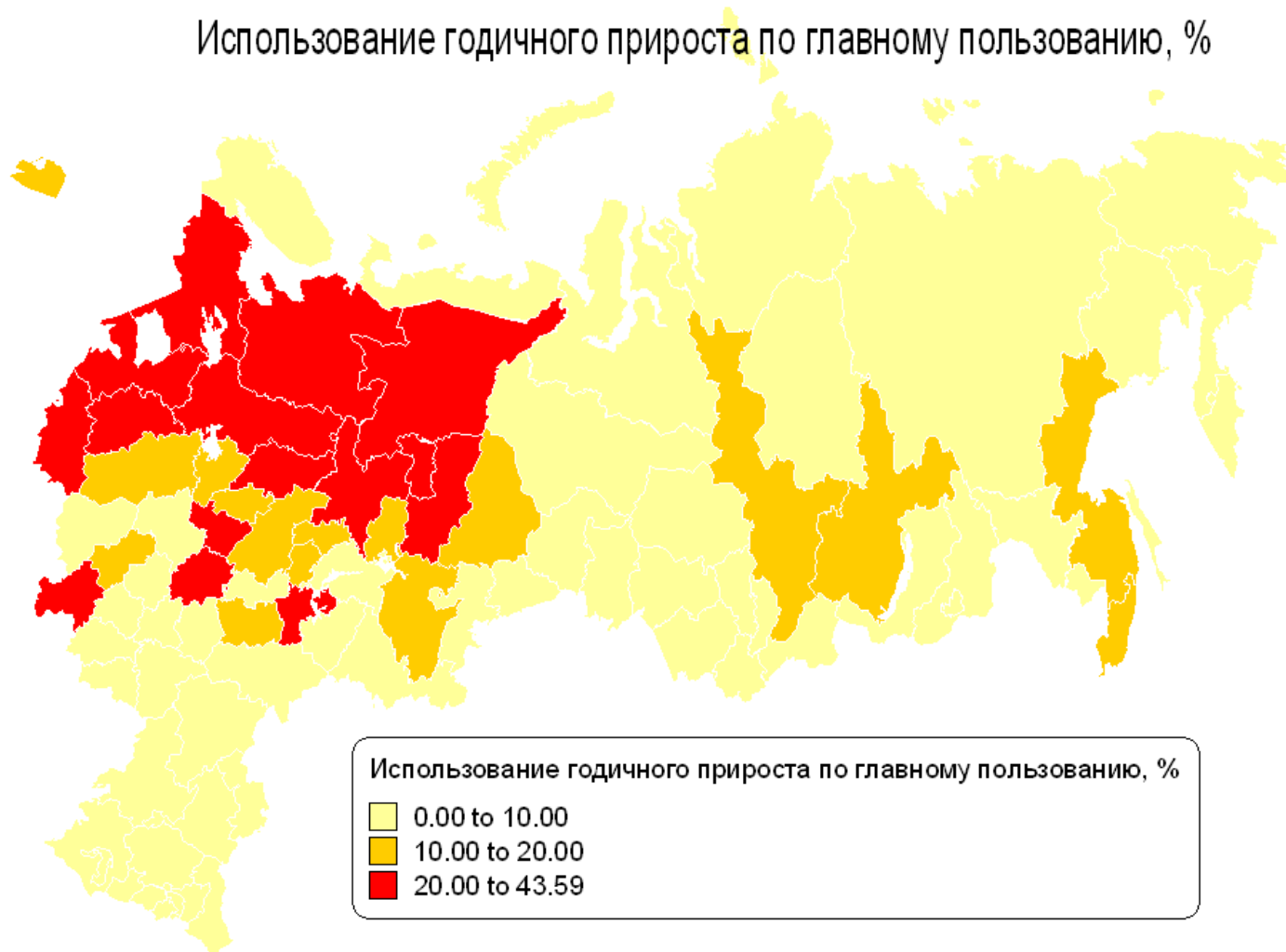
Russia's Forest Resources Availability and Processing Capacity



- Harvesting (**130 million m³/yr**)
- Economically Accessible Resource (**250 million m³/yr**)
- Processing Capacity (%)

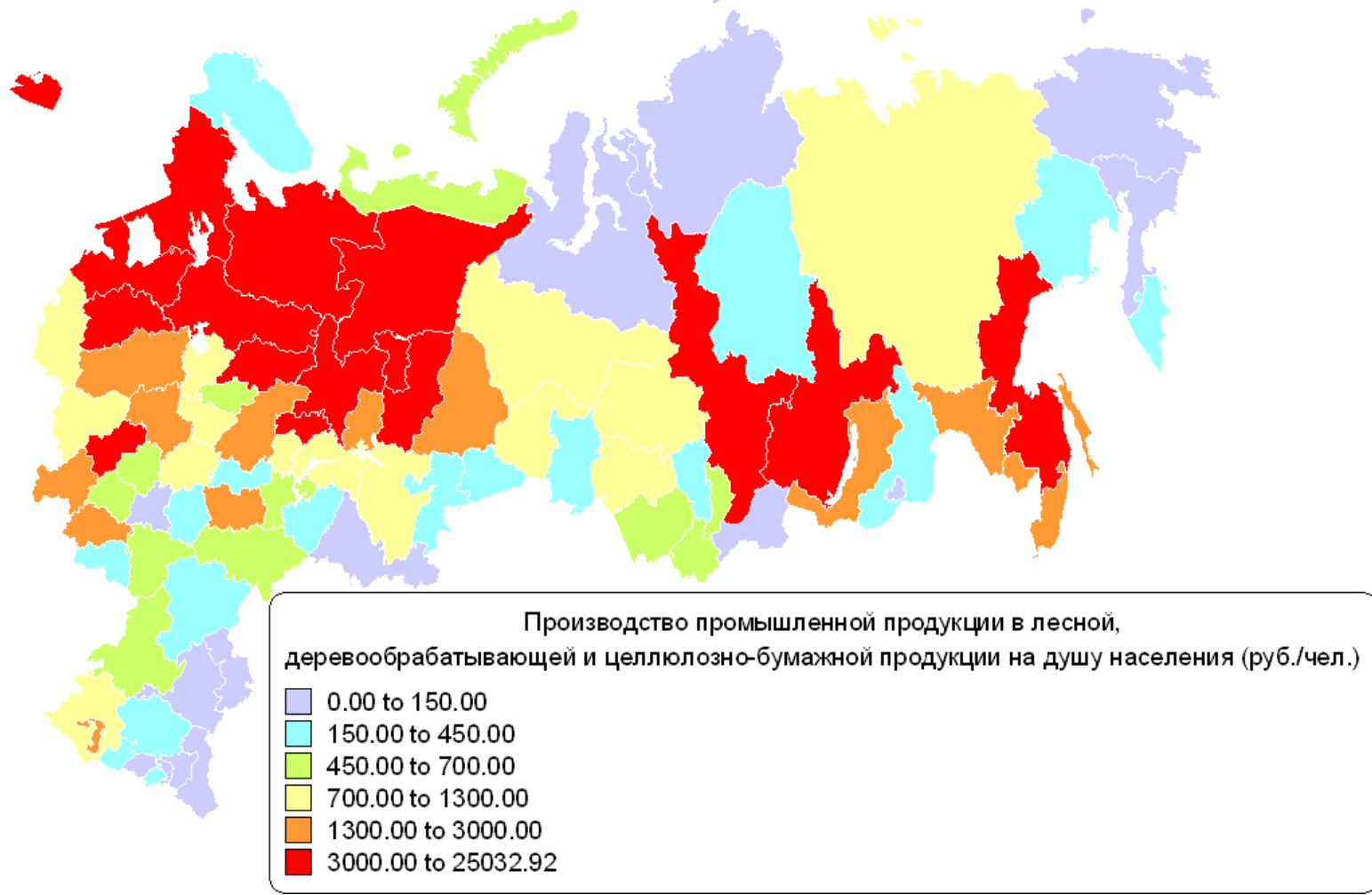
Russia's Regional Forest Diversity: Commercial (Final) Harvest as % of Annual Increment (2004)

Использование годичного прироста по главному пользованию, %



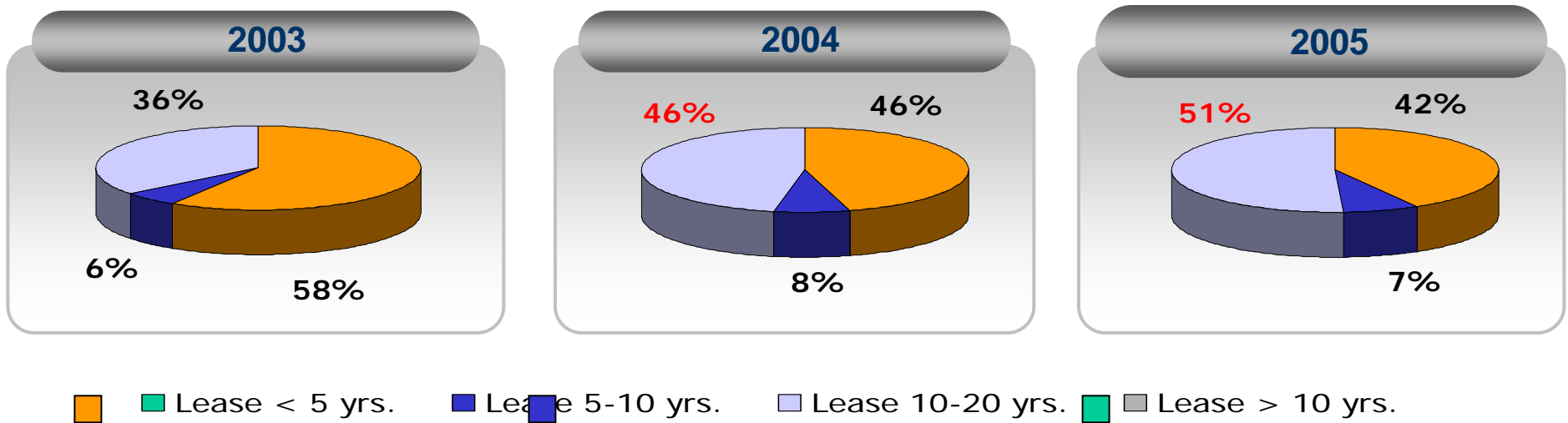
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Russia's Regional Diversity: Forest Industry Output Per Capita (2004)



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Forest Lease Dynamics in Russia

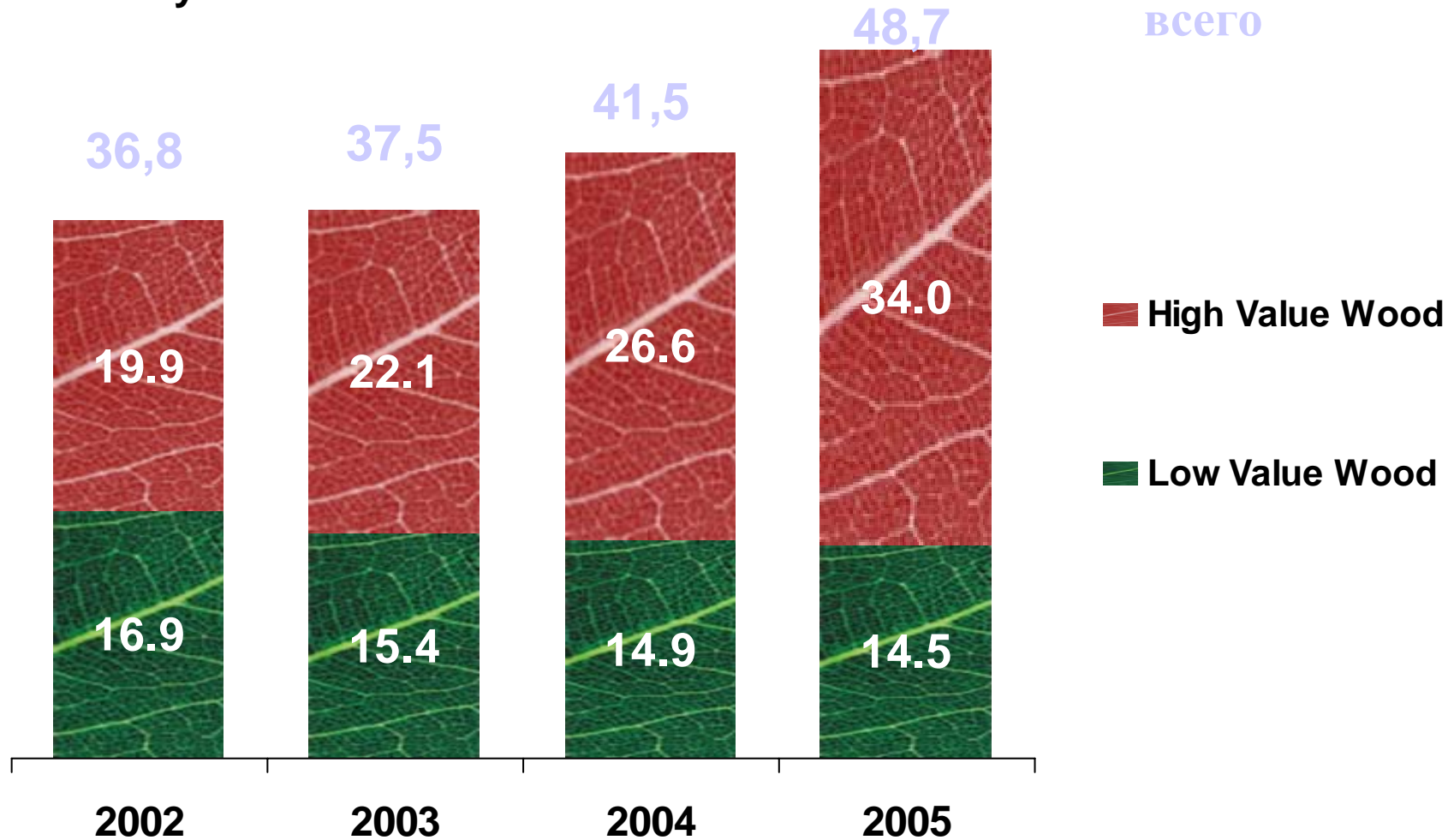


Objectives:

- Priority to investments and forest users with high degree of wood processing
- Promotion of integrated companies
- Transfer of forest mgmt obligations to forest users

Russia's Log Exports

million m³/yr



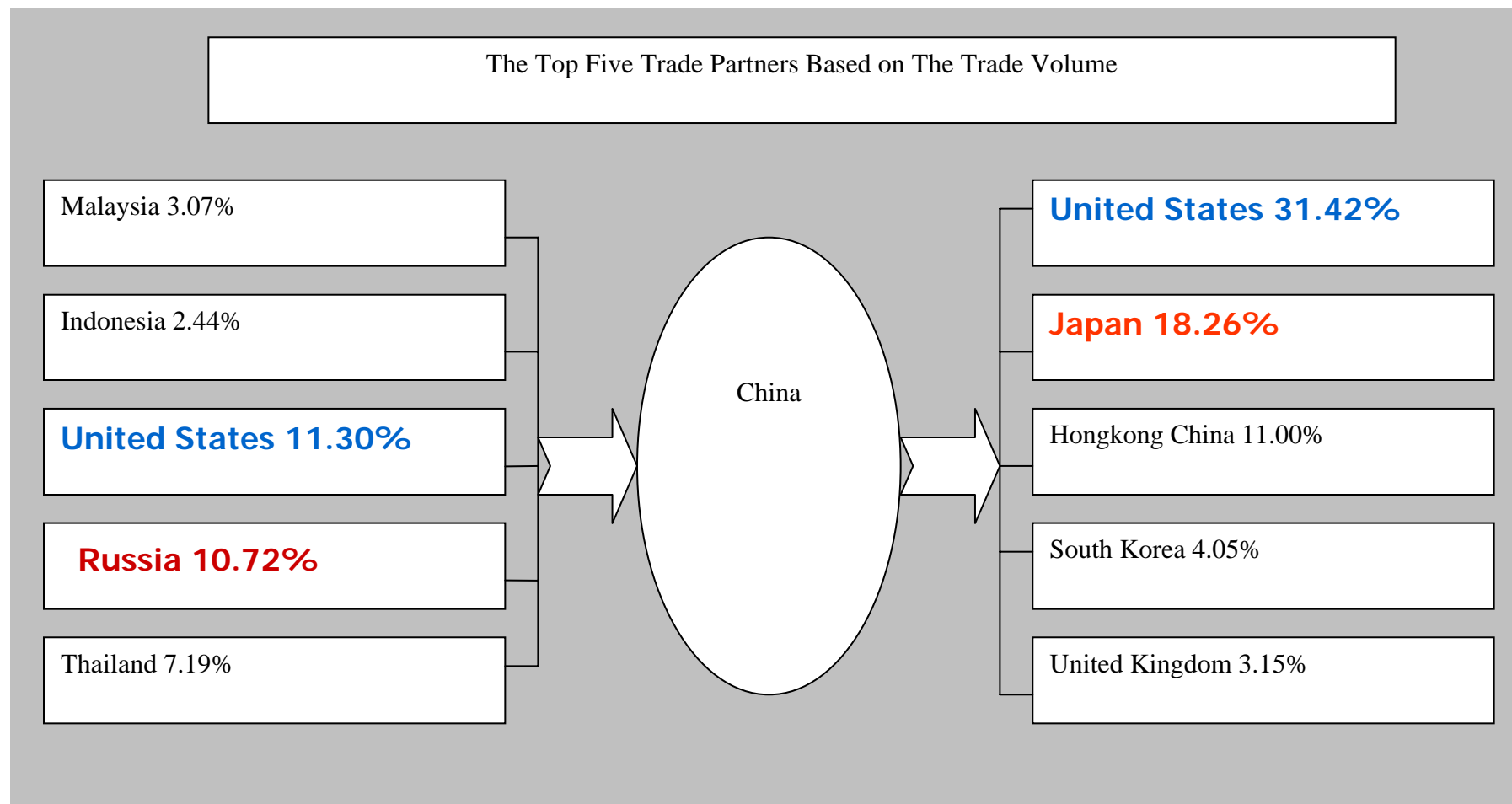
Всего

High Value Wood

Low Value Wood

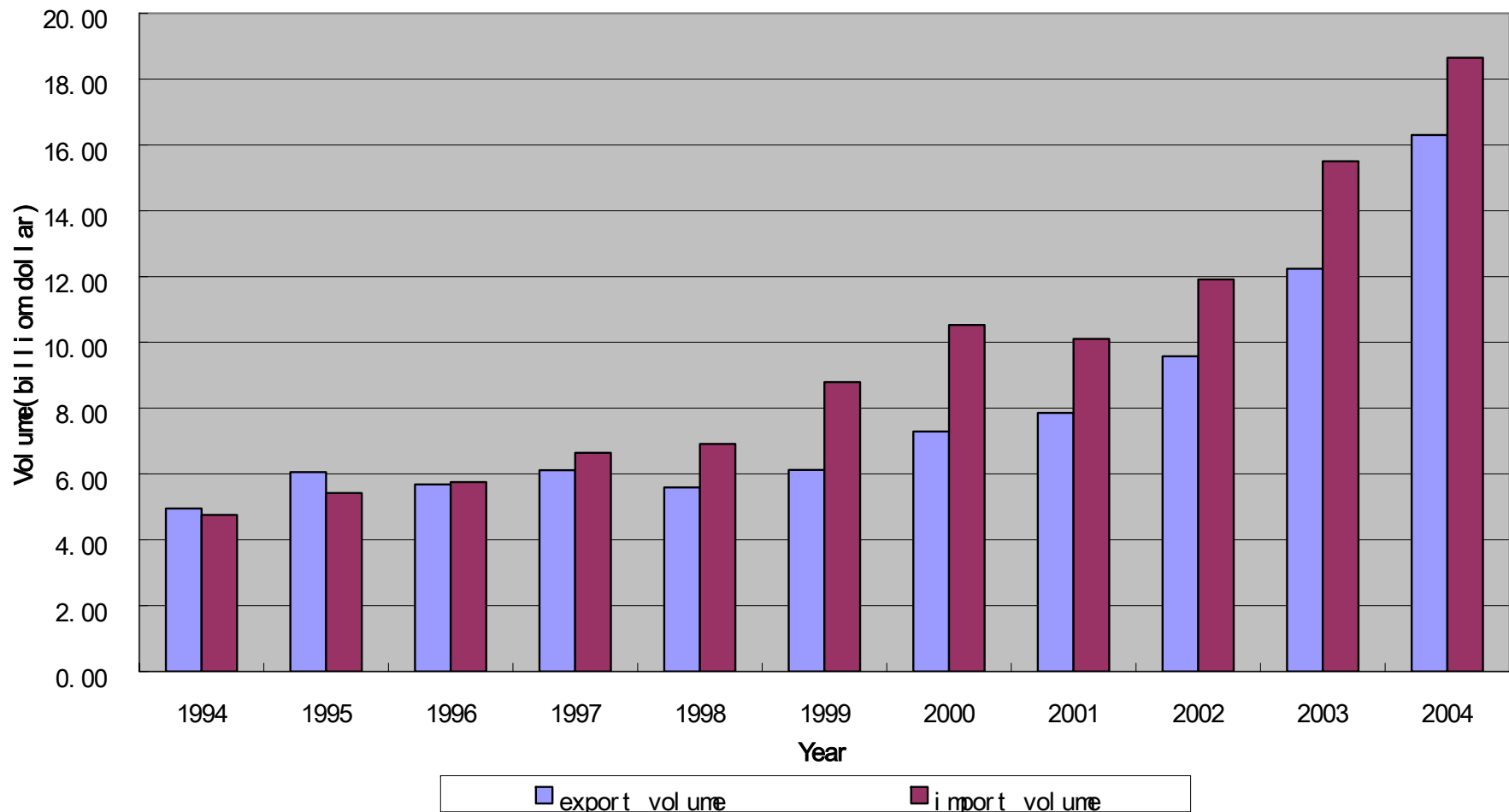
Forest Products Trade between Russia and China: Encouraging Responsible Enterprise
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China's Top Five Trade Partners in Forest Products



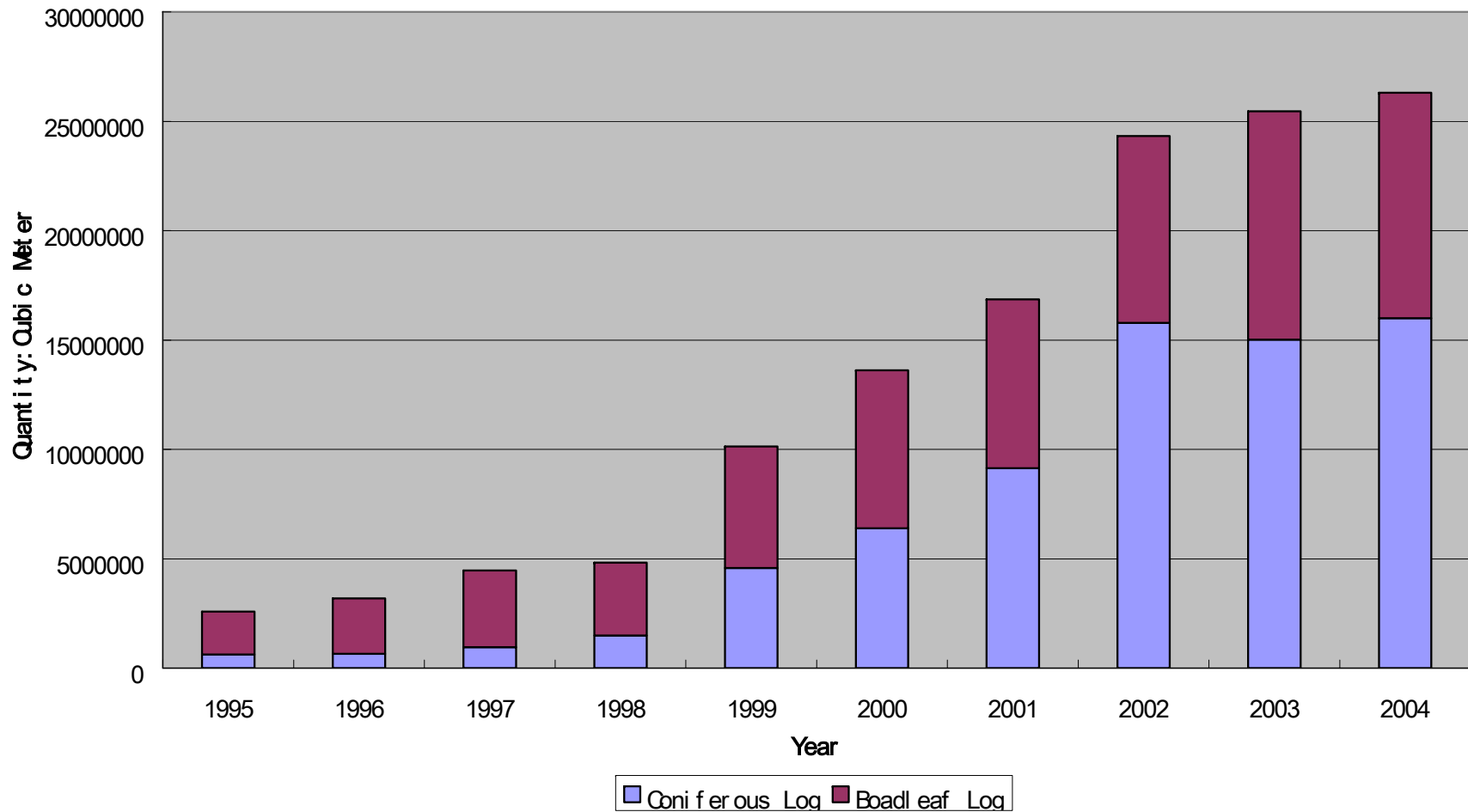
Forest Products Trade between Russia and China: Encouraging Responsible Enterprise
Informal Consultations convened by Forest Trends – Burduguz, Lake Baikal, August 17-18, 2006

The Trade Volume of forest products in China from 1994-2004



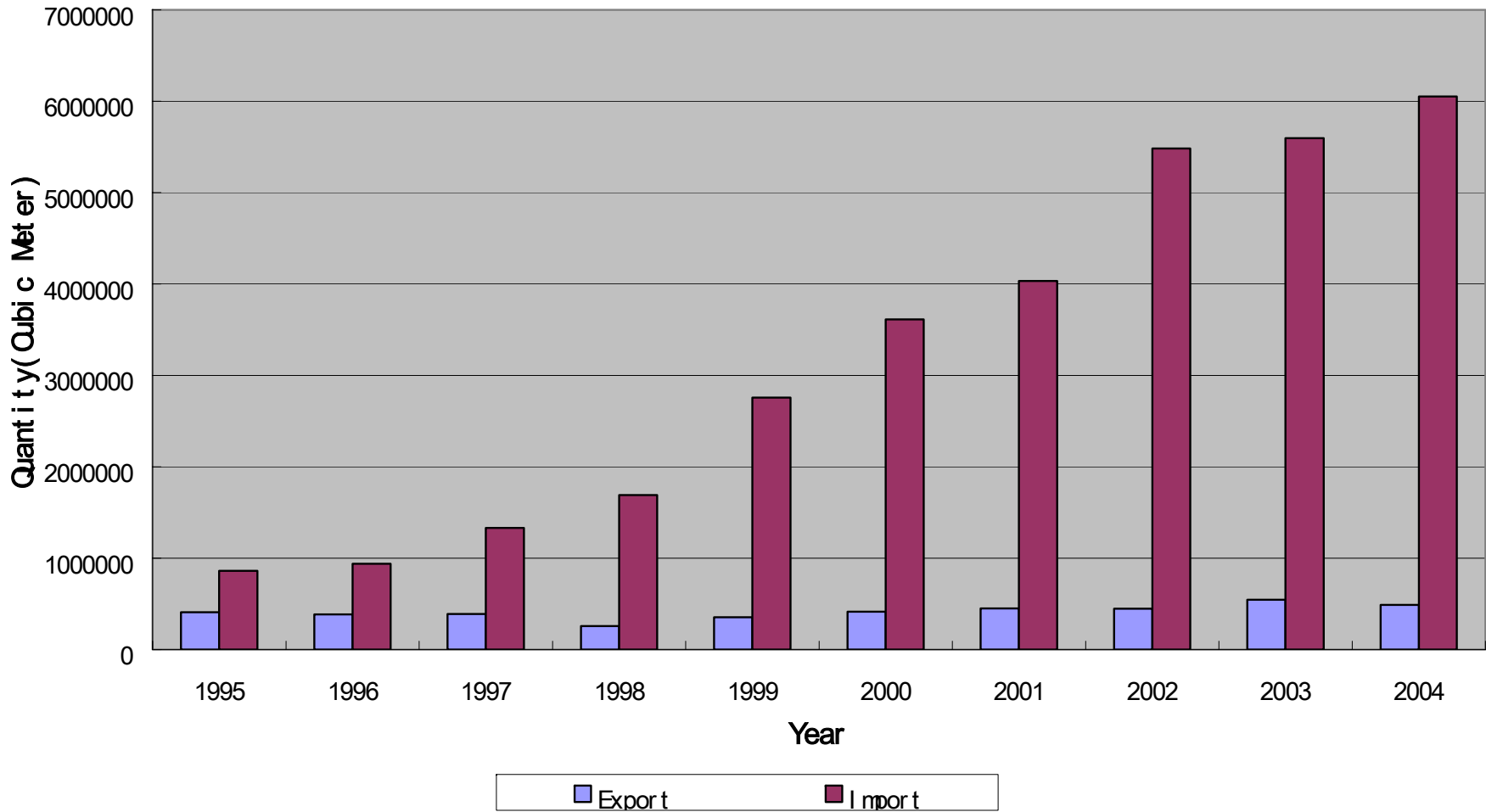
Forest Products Trade between Russia and China: Encouraging Responsible Enterprise
Informal Consultations convened by Forest Trends – Burduguz, Lake Baikal, August 17-18, 2006

The Trend of Log Import in China from 1995-2004



Forest Products Trade between Russia and China: Encouraging Responsible Enterprise
Informal Consultations convened by Forest Trends – Burduguz, Lake Baikal, August 17-18, 2006

The Trend of Sawwood Import and Export in China from 1995-2004



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Partnership to promote SFM and forest sector development:

= Rationale =



- The two governments are already implementing targeted measures to enhance the role of the forest sector in national and regional socioeconomic development programs, and attract long-term investment in the production of competitive high value-added forest products.
- At the same time, Russian and Chinese forests, due to their natural characteristics, perform globally significant environmental functions relating to biodiversity conservation and climate change prevention.
- **Therefore, Russia and China have unique objective prerequisites for establishing a mutually beneficial strategic partnership to promote sustainable forest management and an accelerated forest sector development.**



**Partnership to promote SFM and forest sector development:
= Long-Term (10-15 years) Objectives =**



- (1) The conservation and restoration of the environmental and natural resource capacity of unique forest, forest-tundra and forest-steppe landscapes in North-East Asia as an essential part of the global ecosystem
- (2) The establishment and sustainable development of a diversified forest “cluster” in the economy of Asian Russia and Northern China that would produce highly competitive products for global and domestic markets on mutually beneficial terms and conditions.



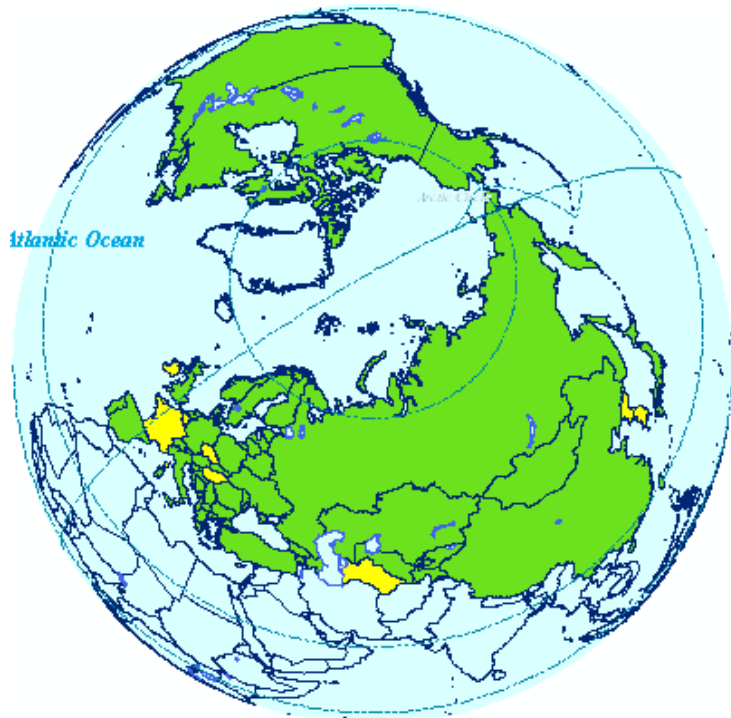
**Partnership to promote SFM and forest sector development:
= Mid-Term (3-5 years) Programs =**



1. Harmonization of the national systems of nature protection and environmental (forest, water, etc.) legislation, and an adequate development of the monitoring/law enforcement capacity at the central (federal), provincial (regional) and local levels;
2. Coordination and bilateral development of administrative and economic (inter alia, customs and tariff) arrangements that would encourage mutually beneficial long-term investment in the forest sector in the adjacent territories, including low-grade timber utilization programs;



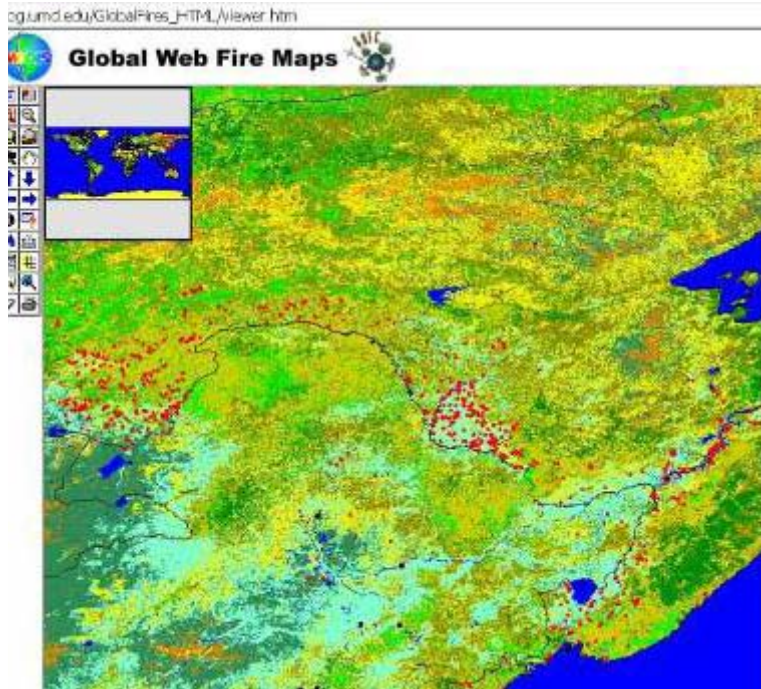
**Partnership to promote SFM and forest sector development:
= Mid-Term (3-5 years) Programs, cont'd =**



3. Development and promotion of agreed mutually beneficial positions in international forest negotiation processes;
4. Design and introduction of agreed national systems of voluntary forest certification and mechanisms to monitor the legitimacy of timber sources that would meet internationally accepted standards; and
5. Development and efficient management of transboundary networks of specially protected nature areas (SPNA).



**Partnership to promote SFM and forest sector development:
= Short-Term (12-18 months) Priorities =**



1. Continue and expand work of the bilateral working group on forest sector cooperation consisting of the representatives of central and territorial forest management, environmental supervision, and foreign trade regulation authorities, as well as forest user organizations.
2. Ensure coordinated involvement in the national-level implementation of the Forest Law Enforcement and Governance (FLEG) Process for Northern Eurasia.
3. Exchange groups of specialists (regional workshops and short-term practical training) on issues relating to efficient arrangements for comprehensive forest protection and inspection (fires, poaching, illegal logging, and customs).



THANK YOU FOR YOUR ATTENTION!

Additional information about World Bank programs:

- www.worldbank.org
- www.worldbank.org/forests
- AKushlin@worldbank.org