



Second Assessment of the Impact of COVID-19 on Forests and Forest Sector in Eastern Europe

Prepared jointly by

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Abbreviations and Acronyms

BIO4ECO	The European Bioeconomy Network
COVID-19	Coronavirus Disease
ECE	Economic Commission for Europe
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
ILO	International Labour Organization
MDF/HDF	Medium Density Fibreboard/High Density Fibreboard
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goals
SFM	Sustainable forest management
SME	Small and medium enterprises
ToR	Terms of Reference
UN	United Nations
UNECE	United Nations Economic Commission for Europe
UNFF	UN Forum on Forests
WHO	World Health Organization





environment-related employment programs. These emerging practices were usually small-scale and were advised to be expanded and continually reassessed to ensure positive environmental impacts resulted from the responses to COVID-19.

Best practices

The importance of forests and forest products increased as countries around the world focus on building back better after COVID-19. Respondents reported efforts to enhance communication on sustainable forest solutions, consider digital solutions, and improve efficiency in forest sector. Improved communication to engage stakeholders through multiple channels was advised to improve perception of forests and forest management. Countries consider increased use of sustainable wood-based energy resources for a more efficient and climate-friendly future. The identified best practices from the survey findings directly related to forests and forest sector were usually in the form subsidies or financial releases. Respondents appreciated improved and simplified communication that came with virtual meetings. However, a good balance of meeting in person and online was requested to efficiently conduct business in the forest sector.

Recommendations

The following recommendations are based on the survey and literature findings.

More attention should be paid to strengthening the socio-



1 Introduction

The COVID-19 pandemic has disrupted social and economic systems around the world leading to major negative effects on health and economy (Congressional Research Service 2021). Globally, 263,563,622 cases of COVID-19 were confirmed as of December 3, 2021, including 5,232,562 deaths. A total of 7,864,123,038 vaccine doses were administered as of 3 December 2021 (WHO). In response to the pandemic, complete and partial lockdowns were imposed around the world impacting social networks, livelihoods, and well-being. Governments were forced to reconsider policies and planning with the pandemic in mind (Nikolopoulos et al. 2020). Businesses had to adjust their supply chain management and consider the effects of the pandemic on the labor market (AL-MANSOUR and AL-AJMI 2020). According to





Although no conclusion on the future development in the biomass market was possible, many presenters observed significant uncertainty around impact of pandemic and expected to see the consequences only on the long run, like oil crises from the past. Within the European Union, policies exist to increase share of renewable resources and primarily wood energy. The pandemic changed public perception of risk management. In some countries there was intensified demand for renewable energy along with a desire to enhance national energy resources and reduce dependence of imported oil. At the same time, public

The market situation described above caused lower financial revenues for forest companies, owners and managers (from timber sale).

As regards expenditures, the procurement of protective equipment (face masks, disinfection) for employees increased costs for forest companies.

As a consequence, forest companies, owners and managers utilized to larger extent other, external sources of funding, such as bank loans, to cope with difficult economic conditions. That has increased their debt ratio.

Beginning of year 2020 (April -May) observed was problem or with delivery and transport of wood products especially abroad, but situation was sorted out with governmental decision and agreement with companies to create storages of final products and do not store primary resources in forests. Government introduced deferred payment as measure and by the end of 2020 the economic situation was as on 2019 level.

In individual cases the transport of forest workers to the field and closed room environment of the wood processing plants was an issue for infection spreading. But generally, forest sector was one of the less impacted and 2021 could be observed as very good year for high export rates and maximized turnover with the public enterprise in forestry.

Initial wood trade barriers (restrictions), problems to do projects abroad, decrease in forest property transactions in the Baltics.

Stagnation of economic activity, falling demand for wood, the inability to work effectively in the remote form of work

In 2021 National Forestry Agency in Georgia faced cutting off the state financing which created the risk for reducing scales and quality of forest operations (forest protection, reforestation and etc.). As the scale of forest operations were reduced, income opportunities for locals or the private sector were reduced as well.

3.1.2.2 Social challenges

The most concerning social challenges from respondents were the potential massive infection spreading among employees and performance losses from employee absence. Some reported decreased income in forest sector and increased fuel wood prices, which directly affected mostly rural poor. Many countries are confronted with reduced communication around sustainable forest management and must adapt outreach methods to effectively reach a wide audience through digital channels. Some respondents reported negative impacts related to governance (e.g., on-site law enforcement by forest authorities) and labor shortages (e.g. persistent lack of manpower for forest activities, as many countries engage contractors from abroad). Many countries collected less revenue from international tourism and were forced to focus on inland tourism. They were confronted with negative impacts of uncontrolled tourist activities in forests. These factors combined with social pressure and general uncertainties of the pandemic significantly impacted the forest sector. Box 2 presents the selection of the responses related to social challenges.

Box 2: List of observed social challenges (as direct answers from the survey or translated versions)

Social challenges:

During lockdowns access to the forest for the general public was restricted.

It is assumed that pandemic and social changes contributed to increase in price of fuel wood, which then affects the category of the rural poor the most.



Lack of human resources for performing works in forestry.

The average salary in forestry decreased annually (i.e. in comparison to the previous year).

COVID-19 pandemic has also negatively influenced some of the governance activities. Actually, it caused a decrease in a number of &



pressure on forest resources in the form of charcoal production, conversion of forests to agriculture and for other unofficial, and often illegal, activities. Incentive programs prioritize quick financial returns and job creation, and in Armenia there is increased interest in urban mining, which also negatively affects forests, which can only exacerbate deforestation or forest degradation. However, deforestation and associated losses in biodiversity are considered to be factors that increase the risk of disease spread. The economic crisis also halted reforestation work that had been planned in advance to plant 10 million trees a year, as part of Armenia's commitment to bring forest cover to 20.1% by 2050 under the Climate Change Convention.

3.1.2.3 Environmental challenges

Environmental challenges were described both in a positive and a negative context. One positive outcome was increased public awareness of importance of forests, especially in urban and peri-urban environments, for physical health, mental health, and



Most respondents observed that the major challenges arose at the beginning of pandemic in 2020 in connection to lockdowns, associated consequences, and the general economic situation, all of which affected the



The UN-#-# \ t @ - # # (FAO and UNECE 2021) details policies created to mitigate the effects of the pandemic on the forest industry.

The furniture industry in the Russian Federation was targeted for government assistance, while the forest industry was not targeted. 34 companies meet the criteria making them eligible for federal support that includes soft loans for working capital financing and saving jobs; six-month moratorium on bankruptcy; deferred or installment payments for taxes; subsidies to cover business losses; and loans at preferential rates. Regional support measures for the timber industry includes forest regeneration and the provision of materials

In Belarus, government investments of 200 million Belarusian rubles in the forest sector was 72% above the same period in 2019. All scheduled forest management activities were completed, including forest regeneration and cultivation on more than 40,000 hectares. The forest industry harvested 12% more than planned, and the industry fulfilled its annual obligation to build 100 km of forest roads.

Measures taken in Ukraine

rental) for state and communal land (this is available for some forestry enterprises, especially state-owned working on state-entrepreneurs during the quarantine (a significant share of micro and small enterprises in the onally, underemployment aid supports employees and refinancing for existing loans supports small and medium enterprises.

In Armenia, the government measures to mitigate the economic and social consequences of the pandemic are estimated at approximately \$30



unfavorable market for softwood (Ministry of Agriculture and Rural Development of the Slovak Republic 2021).



the cost of silvicultural activities, decreasing indirect costs,



In general context, some respondents from Ukraine wanted basic sanitary measure to be respected and to see more activities on raising awareness, building trust between citizens, health system and authorities. Respondents in Ukraine also wished for withdrawing restrictions related to conducting business activities. Serbia anticipated implementation of the best practices as adopted in other European countries and recovery of mobility again.

The following comments from respondents are concrete suggestions related to forests and forest sector:

Russia - advises full vaccination in the forest sector.

Georgia - the forest sector should be able to adapt and maintain effective performance.

Slovenia - open the forestry sector to other business opportunities, such as regulated ecotourism, which might help forest owners to try innovative forest-related tourism/recreation services.

Slovakia -

Some countries (Bosnia and Herzegovina, Montenegro, Ukraine) reported on reduced international cooperation, partially due to pandemic and partially due to lack of skills and capacities. Most of initiative were related to climate, which is also important for the forest sector. The switch to virtual means in the pandemic time was beneficial for local matters, but virtual communication was not necessarily successful in international cooperation. Georgia suggested that international cooperation should strengthen its



Strategies

On the OECD level there are incentives to measure the progress of recovery, track national efforts and monitor efforts to revive economic activity. Emerging practices throughout the Eastern European region are being done at a small scale and are advised to be scaled up and reassessed to ensure the policy responses to COVID-19 have positive environmental impacts. Common strategies in the region were related to provision of grants for economic recovery and environment-related employment programs.

In the survey most countries reported on general strategies and recovery measures adopted to reduce the impacts of the COVID-19 pandemic. Specifically related to forests and the forest sector recovery mainly applied were different means of financial support in the form of subsidies, deferred payments and costs reductions.

In the validation workshop the immunization against COVID-19 was the most important strategy that could be identified as beneficial in dealing with pandemic and having direct impact on forest sector





OECD (2021b): COVID-19 and greening the economies of Eastern Europe, the Caucasus and Central Asia (Tackling Coronavirus (COVID-19): Contributing to a Global Effort).

OECD (2021c): OECD Policy Responses to Coronavirus (COVID-19). The territorial impact of COVID-19: Managing the crisis and recovery across levels of government. Available online at <https://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-and-recovery-across-levels-of>



Annex 1: Second Assessment of the Impact of COVID-19 on Forests and Forest Sector (Eastern Europe)

Survey questionnaire

Country:

Name of respondent:

Representing institution/organisation:

In this Second Assessment we kindly ask you to provide your short qualitative opinion on how your country tackled reducing the impact of COVID-19 on forests and forest sector. This is a follow-up to the Initial Assessment, which evaluated the impact of Covid-19 on Sustainable Forest Management in 2020 ([Covid-19-SFM-impact-Eastern-Europe-final.pdf \(un.org\)](#)). This survey consists of seven short questions. Please note that no quantitative data nor official country statement is expected, but rather your observations and opinion as an expert.

Please send us (at jelena.markovic@bfh.ch) any relevant national documents related to reducing the impact of COVID-19 on forests and the forest sector (for example, published studies and reports, news items, interviews, recorded webinars, policy briefs or other information dealing with this topic).

Challenges during response to COVID-19 faced by country

- 1 From your perspective, what challenges did your country face when addressing the impact of COVID-19 pandemic on forests and forest sector? This could include economic and social challenges.
- 2 How did the challenges change throughout the pandemic in general and in respect to forests and forest sector?

Strategies (policies or national framework) and recovery measures (actions taken) for reducing the impact of COVID-19

- 3 What strategies and recovery measures has your country adopted to reduce the impacts of the COVID-19 pandemic on forests and the forest sector?
- 4 Do other national strategies and recovery measures responding to the impacts of the COVID-19 pandemic influence forests and the forest sector? If so, how?

Best practices (policies and actions that had a positive effect in reducing the impact of COVID-19)

- 5 Please list examples of best practices (policies or actions) from government, private sector, NGOs or local communities that reduced the impact of COVID-19 on forests and forest sector in your country.
- 6 What actions or policies would you like to see in your country to effectively reduce the impact of COVID-19 on forests and the forest sector? Anything specifically related to international cooperation in the post-pandemic recovery?
- 7 Do you have any links related to previous questions with information available in national languages you would like to share?

Do you have any other comments or points you would like to raise?