



Greenpeace's Vision for a New Conservation Based Forest Economy in Canada's Boreal Forest

GREENPEACE

Greenpeace has a new vision for the forestry sector in Canada's Boreal forest that will protect the health and integrity of our forests, as well as guide both consumers and the forest products industry towards a new era of sustainability and accountability. After decades of mismanagement of forests and natural resources in Canada, we face both an ecological and economic crisis in northern forest based communities across Canada's Boreal forest.

For far too long, our Boreal forests have been degraded, fragmented and destroyed by a forest economy that is built upon wasteful industrial practices and weak government regulation. As a result, both our forests and those who rely on them are fighting to survive.

With a new vision for our forests, it is possible to build a sustainable economy and to make the transition necessary for our children to inherit forests that are healthy and intact.

Greenpeace has a vision for a new Conservation Based Forest Economy in Canada's Boreal forest. With it, we can take action to protect our fragile forests while simultaneously strengthening our economy and moving industry and government practices into the 21st century.

What is a Conservation Based Forest Economy?

A Conservation Based Forest Economy is one where all economic activity happens within precautionary ecosystem limits. It includes sufficient protected areas that are set aside to stop the fragmentation and degradation of high conservation values and intact forest ecosystems. Protected areas will successfully safeguard threatened values like habitat for endangered species. A Conservation Based Forest Economy recognizes the importance of creating long term, good quality jobs that are ecologically and economically sustainable.

This vision could be enabled through the mass adoption of Forest Stewardship Council (FSC) certification and ecosystem based management (EBM) which would allow forest product companies to capture the benefits of growing green markets. It also means job retraining and local economic development is financially supported by provincial and federal governments and that forest products companies increasingly incorporate an emphasis on producing value added products. A conservation based economy means an ecologically compatible diversified economy that includes other sectors such as tourism, non-timber forest products and science and research.

This vision for a new forest economy outlines a way forward for industry giants, political leaders, First Nations, stakeholder and communities directly affected by and responsible for our forests.

Together, now is the time to chart a new course and join a sustainable environment with a sustainable economy.

The forestry industry does not need to go away. It needs to change – and change quickly. Politicians, communities, environmental organizations, First Nations and industry must work together to ensure that those who are directly affected by the health of the forests have the greatest stake in their ownership. An example of multi-interest governance is in the process of being implemented now in the Great Bear Rainforest on Canada's west coast.

A new conservation based forest economy will seize the long overdue opportunity of restructuring the forest industry in Canada so it works efficiently, effectively, sustainably and creates good quality long term jobs that don't jeopardize the integrity of the forests.

KEY FEATURES OF A CONSERVATION BASED FOREST ECONOMY:

- A precautionary ecosystem-based approach that includes establishment of new protected areas based on recommendations by leading independent conservation biologists.
- The institution of regional and provincial diversification funds to support community economic stability and for retraining and transition for affected workers.
- Regulatory support for ease of transfer to ecosystem based management (EBM) and Forest Stewardship Council (FSC) certification.
- The creation of independent sustainable forest commissioners in each province to oversee the forest industry and report to provincial governments and legislatures.
- The development of provincially supported structures to facilitate sustainable community forest initiatives.
- The establishment of a national First Nations forestry capacity fund to support aboriginal involvement in forest management.
- National Summit on a Creating a New Green Boreal Forest Economy
- The development of a national green jobs strategy with a specific approach for directing green jobs to resource based economies/communities.
- Wide variety of economic opportunities represented in local communities

DECLINE IN THE FOREST SECTOR IS NOTHING NEW

Long before the current global economic downturn, forest dependent communities were losing jobs and seeing mills close. The global recession came early to many resource dependent communities. Since 2003, over 200 sawmills and paper mills have closed across Canada resulting in the loss of more than 32,000 jobs.¹ That number has risen in the last number of months as Canada has seen an unprecedented number of mills closed or idled. Unemployment in these communities has been steadily rising and communities that have traditionally been able to maintain jobs in the forest sector have been shrinking in size as families move elsewhere to find work including in the recently booming oil and gas sectors in Alberta.

FACTORS GENERALLY THOUGHT TO HAVE LED TO DECLINE IN FORESTRY SECTOR²

- Increasing distance between timber supply and mills
- Low productivity of mills
- Lack of infrastructure improvements made during profitable years
- Low scale and size of mills
- Overharvesting of available timber supply
- Canada-US softwood lumber dispute
- Lack of flexibility to weather changes in strengthening of the Canadian dollar
- Decline in the U.S housing market starts
- Low price of lumber
- Declining demand for and shifting price of newsprint
- Increasing fuel and electricity costs
- Increased foreign competition due to lower labour costs, faster growing trees and weaker regulations

AN OPPORTUNITY WITHIN THE CRISIS

With the economic crisis becoming a worldwide recession, now more than ever, it is clear that the forest products industry needs to seize the opportunity to transition to a new sustainable forest economy in Canada's Boreal forest.

Demand for forest products that are created in a forest friendly fashion based on sustainable forest management is increasing. Companies such as AbitibiBowater and Kruger who continue to fragment and degrade valuable intact forests and practice unsustainable forestry have had millions of dollars of contracts cancelled by North American and European customers.³ An increasing number of major companies have passed policies that limit the purchase of products from destructive logging operations and high conservation forest areas. Additionally, these policies now include auditable targets for purchasing responsibly sourced products.

There is a need to use the current global economic crisis to leverage the support needed to transform how forestry is practiced in Canada's Boreal forest so that forest capital and the forestry industry is rebuilt, a diversified economic model is built, important forest ecosystems flourish and are protected and responsible harvesting (practices such as those found under FSC certification) become a matter of public policy.

Despite the economic downturn, the demand for green products will continue to grow. Markets Initiative, a non profit organization that works closely with publishers on greening their paper supply chains, recently commissioned a poll through public opinion and market research firm Pollara which showed that **six in ten people believe that the well being of the environment and the economy are interconnected and should be dealt with simultaneously**. The same number of people said that stabilizing the economy should not come at the cost of the environment.⁴

THE FUTURE OF THE INDUSTRY: HEALTHY BOREAL FORESTS AND GOOD JOBS

Now is an ideal time for communities, labour unions, environmental organizations and industry to move to more diverse and sustainable forest economies and ensure that governments make the necessary policy directives and investments to transition to an economy capable of maintaining both good long term jobs *and* healthy forests. The crisis in the forest sector has been devastating to many individuals and communities but if there is to be a corresponding opportunity within it, the necessary resources need to be allocated to help re-build the struggling economies of resource based communities across Canada. A "just transition" to a sustainable forest economy is possible but it will require political will, leadership and investments from different levels of government.

A green and sustainable forestry industry recognizes that the sooner the transition is made, the more options future generations will have to engage in a sustainable economy built on the foundation of having both a good quality of life and protecting healthy, intact, ancient forests.

CANADA'S BOREAL FORESTS ARE UNDER THREAT

Canada's forests are a valuable public asset that provide many crucial services (clean air, water, recreation) that we cannot simply replace. The Boreal Forest is home to rich populations of plants, birds, animals and trees as well as hundreds of communities, largely First Nations. The potential of the carbon rich Boreal ecosystem in mitigating climate change has only been recently recognized.

In a report released in 2008, *Turning Up the Heat: Global Warming and the Degradation of Canada's Boreal Forest*⁵, Greenpeace detailed how Canada's Boreal Forest stores 186 billion tonnes of carbon⁶, equal to 27 years worth of global carbon emissions from the burning of fossil fuels⁷. The report reveals the importance of soil in carbon storage and how an

average of 84 per cent of the carbon in the Boreal Forest is stored in its soils.⁸ It also documents how industrial logging is destabilizing forests thus contributing to global warming; more than 750,000 hectares of the Boreal Forest is cut every year⁹. This has an enormous impact on Canada's emissions as an estimated 36 million tonnes of aboveground carbon is removed every year by logging alone. This is a larger amount of carbon than what is emitted each year by all passenger vehicles in Canada combined.¹⁰

It is clear that large intact areas of the Boreal Forest are better able to resist and recover from global warming impacts.¹¹ Because large intact areas of forest tend to have more mature trees and higher levels of biodiversity in comparison to logged areas, they will be better able to resist and recover from global warming impacts such as drought, forest fires and insect outbreaks.^{12 13 14}

Our vision for a new Boreal forest economy

Given the critical role that intact forest ecosystems play for ecological and climate mitigation values, accounting for the value that ecosystems have when they are healthy and intact must be prioritized. The ecosystem services provided by healthy forests are precious and should no longer be externalized.

We can receive more value from our forests by building a forestry industry that is diversified through new sectors and many product lines that have added value. Integrating value added products like furniture building components & specialized paper into the mix of products within local communities is a good way to increase the number of jobs per unit of lumber cut. A multi-product based forest industry would be better able to weather changes in demand. The new direction of industry would be one that enhances forest industry competitiveness and the health of forests.

The relevance and urgency for shifting to a value added products approach is now paramount. The shift from the idea of building a value added forest economy to a plan and its implementation are necessary. There is a wider

acceptance and understanding of the potential for growth in green jobs and the green economy. Governments, First Nations and stakeholders such as industry and environmental organizations must find ways to help communities diversify and stabilize their economic base. The economic crisis must be seized as an opportunity to implement "just transitions" strategies and provide the necessary resources to make a green value added forest economy a reality.

Embracing Forest Stewardship Council (FSC) certification is also an important step to increasing market share and securing current customers. By practicing rigorous and inclusive planning that the FSC requires, forestry companies and their customers are ensured that the products being manufactured have a reduced impact on forests. Many retailers have made commitments to increase the use of FSC. DIY home improvement retail chain RONA has taken a leadership role by creating a strong wood products procurement policy,¹⁵ that sets actual targets for sourcing FSC certified products.

In a new green forest economy, the pattern of industry operating alone with little consultation with stakeholders and little regard for other forest uses and forest ecosystem services has ended. In our vision, forestry companies, governments and other businesses work closely with interested parties, including environmental organizations to protect biodiversity values including intact forests and critical habitat for species such as woodland caribou as well as other high priorities and values for conservation.

VALUE ADDED PRODUCTS

- Engineered building components (trusses, beams, housing components)
- Factory built and pre-fabricated housing
- Wooden windows
- Wooden doors
- Musical instruments
- Coated & specialty papers instead of newsprint

COMMUNITIES

Canada's forest communities have a lot to offer. They have educated and skilled workforces. They have infrastructure and communities that want to create viable local economies. Unfortunately, the very people who have lived all their lives in close proximity to forests and who have worked for generations in the forest products industry are most affected by the collapse of the forest industry and the larger economic downturn.

Greenpeace envisions that in a new green Boreal forest economy, there will be stronger tenure rights for First Nations and those communities who directly depend on the forest. A system of community forests, where the public forest area is managed by the community for the benefit of that community would support local decisions pertaining to local environments and economy.¹⁶ Approximately 11 per cent of the world's forestry system is already under community forestry and community forests are being established in British Columbia and Quebec. Governments should encourage some development of community forests while prioritizing protection of threatened ecological values and tying these to long term employment.

We envision that in a new forest economy, communities are diversified economically and not solely reliant on one industry. Diversified communities would have well supported value added forestry operations that are better able to weather economic downturns. These diversified industries would ensure that the job value for each tree cut is maximized and that non timber forest products and micro businesses flourish while alternative uses of the forest are also expanded.

In order to achieve this, enhanced training and educational opportunities for workers who transition from the traditional forest sector is required. Rather than repeating the historical pattern of giving large government bailouts to companies, funding should go into the communities that are affected by the collapse of the forest industry to remake themselves in a diversified and ecological fashion. A diversity of stakeholders need to work together to develop plans for sustaining other forest based businesses (remote tourism, trapping) and seizing opportunities for developing & attracting new value added businesses & industries such as green electricity generation.

Governments should put the programs and policies into place that will make the transition workable including training and incentives. Cutting more wood will not lead to more jobs in Canada's Boreal forest. A green transition will.

GOVERNMENT

Both federal and provincial governments have a responsibility to play a critical role in building a new green Boreal forest economy. Government and industry must develop environmental leadership and make the adequate investments necessary for diversifying forest products.

Community diversification strategies must be developed and implemented. Governments must establish an industry innovation fund that focuses on best practices, new product development, and technology support.

Many unions and resource based communities are calling for a national summit on the future of the forest industry. A New Green Forest Economy summit that would bring together leaders from First Nations, governments, unions, industry and environmental organizations could develop an action plan of revitalizing a new sustainable forest industry, stabilizing employment and implementing a national adjustment fund for workers, families and communities affected by restructuring and a move towards sustainable forestry. We strongly support the need for such a summit.

CANADA'S GREAT BEAR RAINFOREST: A GLOBAL MODEL

Canada's Great Bear Rainforest on the west coast of British Columbia has already begun making the transition to a precautionary ecosystem-based approach to the forest and a diversified economy. This approach includes a network of protected areas, new lighter touch logging regulations that pave the way for FSC certification and a new \$120 million fund for economic diversification and conservation management in First Nations communities.

HEALTHY FORESTS IN A NEW BOREAL FOREST ECONOMY

There are many good reasons for building a new forest economy. A central motivation must be the long term health and sustainability of our forests. Intact healthy forest ecosystems play a critical role in maintaining biodiversity and mitigating global warming and provide a viable base for a long-term diversified economy. In general, only forest areas of 500km² (123, 552 acres) and greater that are unfragmented by roads, logging operations, powerlines, or other imposed infrastructure are large enough to maintain the ecological integrity of an area and to sustain healthy animal and bird populations.¹⁷ Small intact forests can also play an important role, in providing linkages between larger areas particularly in heavily fragmented areas.

In a new Boreal forest economy, remaining large intact forests are adequately protected and on a large enough scale to ensure the long term viability of species such as woodland caribou. In areas where logging activities are occurring, they are done so in accordance with independently determined ecosystem based management practices and verified through FSC certification.

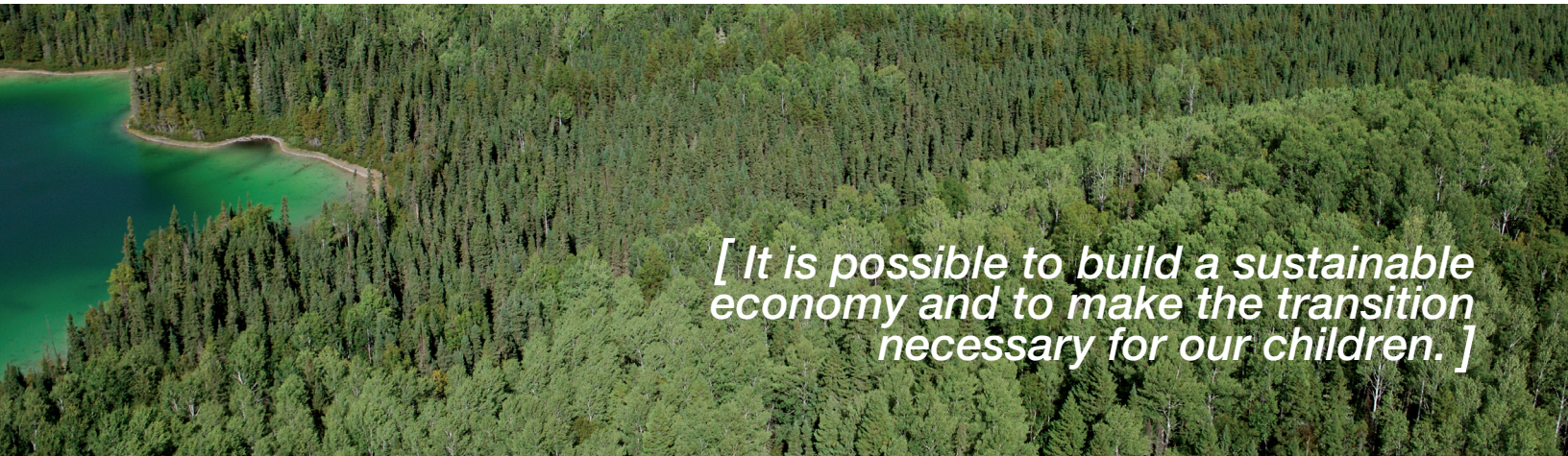
In a new forest economy, forests are valued for the many ecosystem services they deliver including mitigating climate change, providing clean air and water to local communities and acting as refugia for wildlife.

A new forest economy will also make monitoring and ongoing scientific study of the health of forest ecosystems a critical piece of forest management. Government and industry will collect and publicly share data on the state of forest. This data is independently verified by leading scientists and recommendations for improving forestry are implemented.

THE TIME TO ACT IS NOW

Public opinion and economic trends suggest that the market for green products will continue to expand. The shifts that have begun in the marketplace will continue into the future and demand for FSC certified products, new innovative forest products, recycled fibre and products *not* sourced from high conservation value forests and intact areas will find a stable place in an unstable economy. Forestry companies and communities now have an opportunity to meet this growing demand and help to transform a struggling industry.

It is possible to build a sustainable economy and to make the transition necessary for our children to inherit a viable livelihood and forest ecosystems that are healthy and intact. Now is the time to chart a new course for Canada's Boreal forest and fuse together a sustainable environment with a sustainable economy.



[It is possible to build a sustainable economy and to make the transition necessary for our children.]

ENDNOTES

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- 2 Asselin, Henri, *Emplois en dents de scie*, Published by Greenpeace Canada, 2007. www.greenpeace.org/canada/fr/documents-et-liens/documents/emplois-dent-scie
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- 6 M.J Apps, W.A Kurz, R.J Luxmoore, L.O Nilsson, R.A Sedjo, R.Schmidt, L.G Simpson, and T.S Vinson (1993), Boreal forests and tundra. *Water, Air and Soil Pollution* 70, 39-53.
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