



Riksrevisjonen

Office of the Auditor General of Norway

Sustainable management of Norwegian forest resources One Day Seminar – Forest Auditing October 22nd - Cyprus

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Background

- Forestry has traditionally played an important economic role nationally, and is still important for many regions
- Forest status and management affects
 - Biodiversity
 - Recreation possibilities
 - Forest as a carbon sink

Indications found in risk assessments

- Increased increment but no increase in fellings
 - **Risk:** *sub-optimal management and over time deterioration of forest quality*
- Areas for afforestation and silviculture has decreased
 - **Risk:** *forest owners are not complying to regulations*
- Indications of environmental goals not being met
- Structural changes in forest management towards more private management and follow-up - private agreement between NGOs and forestry NGOs not re-negotiated in 2010.
 - **Risk:** *public policy tools not sufficient to secure SFM*

In addition the pre-study also discovered

- Risks related to activity – goal attainment
- Risks related to structure of the industry – makes it difficult to increase activity – many small owners/estates etc.
- Risks related to unclear signals from government especially on environmental issues, because MoE also regulate forest resources
- Indications of environmental goals not being reached
- Indications of policy instruments affecting environmental goals
- In addition to confirming already mentioned risks

Main objectives for the sector

- There are two national main targets set by the Parliament for the forestry sector:
 1. sustainable management of the forest resources
 2. enabling increased forestry activity.

What does sustainable forest management mean?

- Sustainable administration refers to the term sustainable development, meaning in this context to manage today's available forest resources in a manner that ensures long-term viability of the ecological resources, as well as considering economic and social interests.

Dilemma: How to design

- Should we design an audit that included both main objectives?
- Sustainability means to balance use and conservation
- An objective of increased activity adds a different measurement/målestokk
- An audit covering both aspects could not only conclude on whether the balance between out take and conservation/other management is sustainable, but also needs to reflect whether enough timber is taken out
- How to include market mechanisms in the audit

Audit objective

- *To assess whether the Ministry of agriculture and food's management and means are securing a sustainable administration of the forestry sector and enabling increased activity in the forestry sector*

Scope of the audit

- Limited to the primary sector of forestry, and the ministry's responsibility of administering this area to create activity and to regulate
- Many aspects of the sector are dependent on market mechanisms, therefore activity in this part of the sector also depends on development in supply and demand on international market
- The audit does not look into the forestry industry, the regulations and incentives for wood processing and pulp and paper industries. There is risk in this area, but affecting development here is considered to be outside the ministry's wiggle-room
- Covered the decade 2001-2010

Audit criteria

- Management of Norwegian forest resources must be sustainable in order to utilize the resource in the best possible way for society in in short and long term
- Value creation from the sector shall increase, and the sector shall contribute to solve environmental issues
- The purpose of the sector law is to promote sustainable management of resources to create values locally and nationally, and secure biodiversity, landscape, outdoor life and cultural values
- Silviculture and felling are central pre-requisites to sustain economic consideration – these activities will also increase carbon uptake and storage
- It's a goal to increase activity in the forestry sector

The main audit questions

- What is the state of Norwegian forest resources and how has the forest developed?
- To what degree does the ministry fulfill its responsible for forestry, through objectives and performance management?
- To what degree does the apparatus of means administered by the ministry contribute to reach the objectives of a sustainable administration of the forestry sector, and enabling increased activity?

Methodology

- Quantitative data on forest activity indicators: felling and increment, silviculture, infrastructure and environmental indicators
- Reports and relevant documents
- Interviews; among these group interviews
- Two surveys:
 - One to a representative sample of forest owners – 1000 respondents
 - One to the forestry administration manager of every municipality in Norway

Thank you for your attention!

