

In order to have a broad overview of the impacts of COVID-19 on forests, forest sector, and forest dependent people, and to assess the potential of forests to diminish the adverse impacts of the pandemic, the United Nations Forum on Forests (UNFF), at its fifteenth session, requested the UNFF Secretariat, in consultation with other members of the Collaborative Partnership on Forests (CPF) and with input from members of the Forum, to compile an initial assessment of the impact of the COVID-19 pandemic on: (i) sustainable forest management (SFM), (ii) the forest sector, forest-dependent people, indigenous peoples and local communities, (iii) forest financing and international cooperation, and to present this assessment to the Forum at its sixteenth session in April 2021. To initiate this assessment and collect information, the UNFF Secretariat commissioned five assessments to be conducted on a regional basis.

The views and opinions expressed herein are those of the authors and do not necessarily reflect those of the United Nations Secretariat. The designations and terminology employed may not conform to United Nations practice and do not imply the expression of any opinion whatsoever on the part of the Organization.

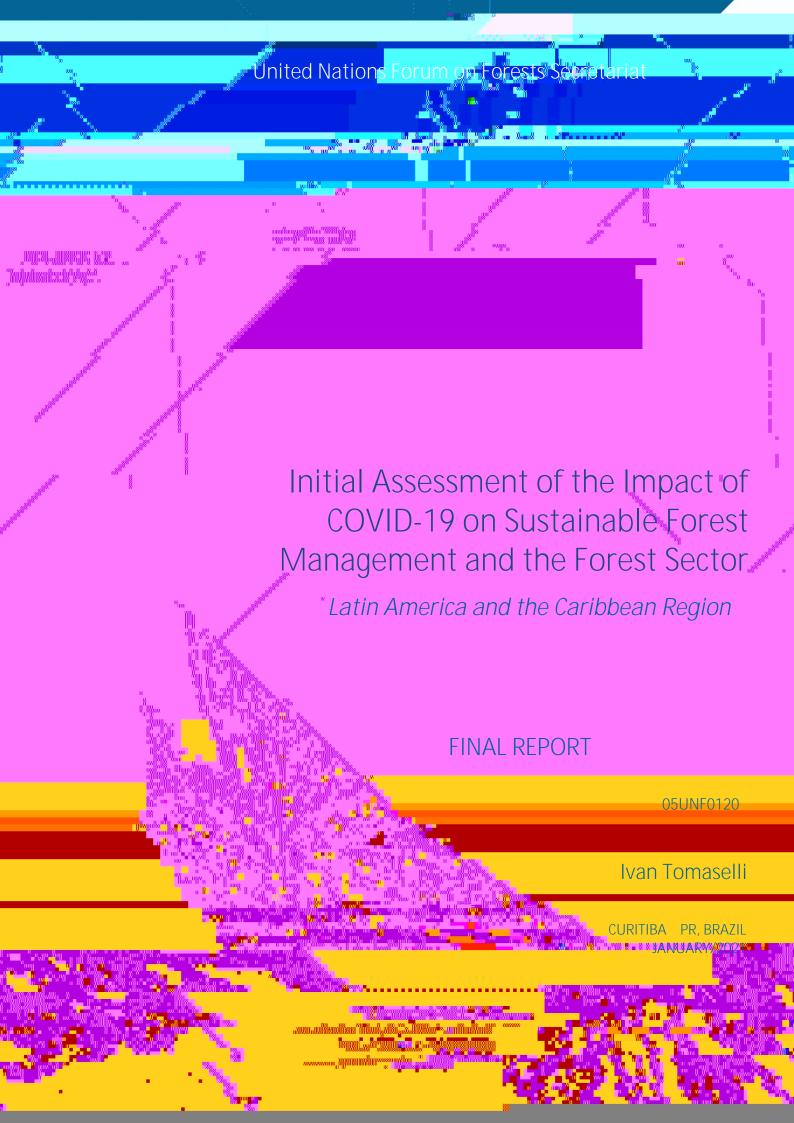
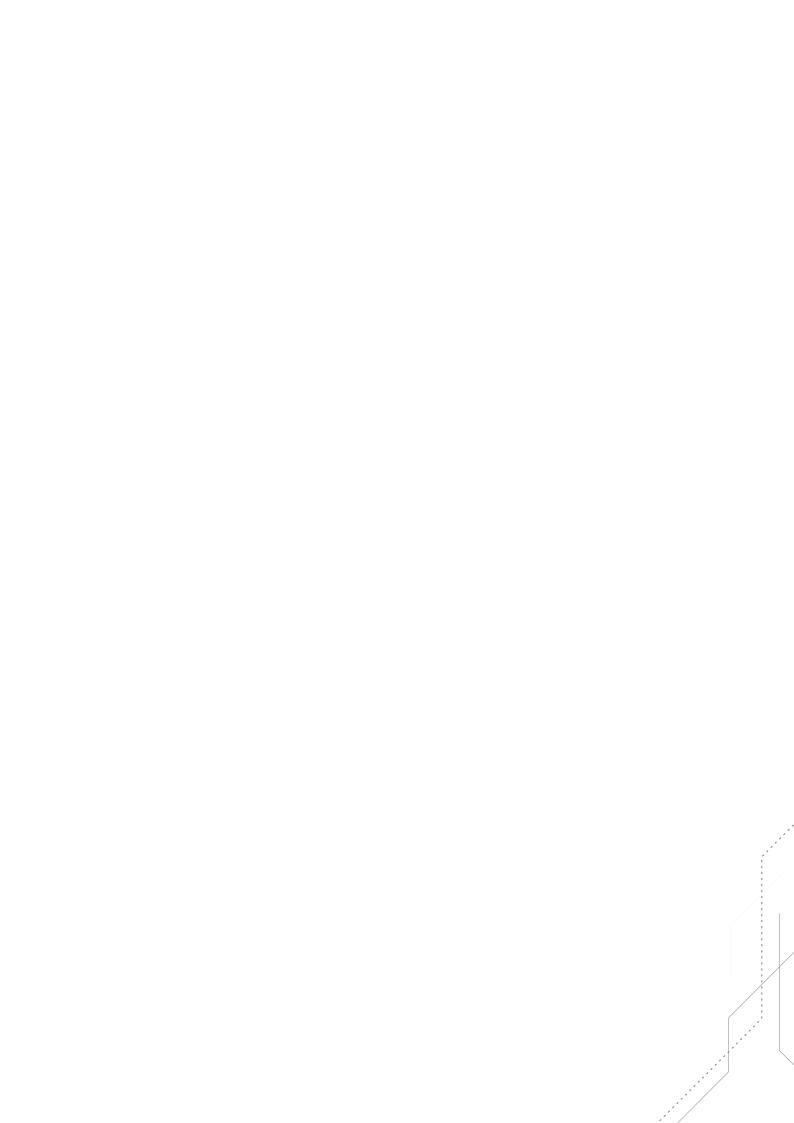




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IBGE Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e

Estatística)

IDB Inter-American Development Bank

IFE Emergency Family Income (Ingreso Familiar de Emergencia)

IFM International Monetary Fund

IFSA International Forestry Students' Association

IHUCSO Institute of HumanitiETBT618.46 1 0 2



MTSS Ministry of Labour and Social Security (Ministerio de Trabajo y Seguridad Social)

OIT International Labor Organization (Organización Internacional del Trabajo)

ONF National Forestry Office (Oficina Nacional Forestal)

OSH Occupational Safety and Health



EXECUTIVE SUMMARY

The COVID-19 pandemic has created an enormous disruption to human lives, livelihoods and economic systems worldwide. The on-going pandemic has caused a massive public health crisis and short-term economic contraction, resulted in loss of livelihoods, extreme poverty, income inequality and food insecurity, especially in some of the most vulnerable segments of society.

Forests provide for economic functioning and human well-being, and their roles in providing income, livelihoods are important especially for rural communities, indigenous peoples, small farms holders, and other forest-dependent communities. Therefore, it is mportant to assess the impacts of COVID-19 on forests and forest-dependent people.

The UNFF Secretariat has decided to conduct a global assessment of the impacts of COVID-19 pandemic on the forestry sector and propose recommendations for mitigating measures. It deliberated to carry out a regional assessment in each of five UN regions, namely: Africa, Asia-Pacific, Eastern Europe, Latin American and the Caribbean, and Western Europe.

This report provides an initial assessment of the impact of COVID-19 pandemic on sustainable forest management and the forest sector in the Latin America and Caribbean Region. The analysis is LAC region as a whole, with a focus on the countries with the highest concentration of forest-related activities, such as Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Mexico, Panama, Paraguay, Peru and Uruguay.

The approach used to carry out the study consisted of a literature review and contact with relevant stakeholders by application of a questionnaire to obtain targeted information, including governments, private sector, civil society, indigenous people and local communities, forestry associations, academia and other organizations. Survey questionnaires were sent by email to about 110 people of relevant stakeholders mentioned-above; of which 23 people responded to the questionnaire, representing 21% of contacted people. It is noteworthy that information was collected from a limited number of respondents. From a total of 16 LAC countries considered major forest producing countries (UNFF list of focal points), 10 LAC countries responded to the questionnaire, representing 63% of the countries.

This report covers a general regional assessment of the macro economic impacts of the pandemic, and impacts on the forest sector of the LAC Region and selected countries. Addition(an)4(d)14(f,)-99(Rm)-(er)io



v. Forest Financing and Investment

The COVID-19 pandemic forced countries to take several mitigating measures, measures that have impacted all components of the Foreign Direct Investment (FDI). The financial markets were affected by the increase in uncertainties and the paralysis of economic activity. Several countries of the LAC region created specific credit lines and established other alternatives to support companies and the society in the mitigation of the COVID-19 impact.

vi. Institutional Capacity

Institutional capacity of agencies in LAC region involved in monitoring, control, capacity building and other activities related to forest management were also affected by the pandemic. Forestry and environmental agencies involved in monitoring and supporting forest-related activities were only partially operating, and restricted to office with reduced work hours in response to COVID-19. In Mexico, the pandemic caused a decrease in personnel, causing a slower pace of forest management, increased cost of management, eased illegal operations, diminished interest in incorporating forest areas into forest management, increased production costs, loss of competitiveness. In Paraguay, during the pandemic, there were reduction and relaxation of governmental forest control, so that illegal activities increased.

vii. International and Regional Cooperation

In the context of the COVID-19 pandemic, international cooperation for development has been an essential tool to seek innovative mechanisms that allow finding solutions to common challenges. In view of the short period since the early stages of the impact of COVID-19 in the region began, few initiatives involving international and regional cooperation were identified. In October 2020, the Government of the United States has allocated a fund to help Peru in its emergency response to face COVID-19. The European Union, its Member States and its financial institutions have joined forces as to lead the global response to the pandemic. Team Europe has been working to mitigate the impacts of COVID-19 in its partner countries, including LAC countries (e.g. Argentina, Paraguay).

Emerging opportunities

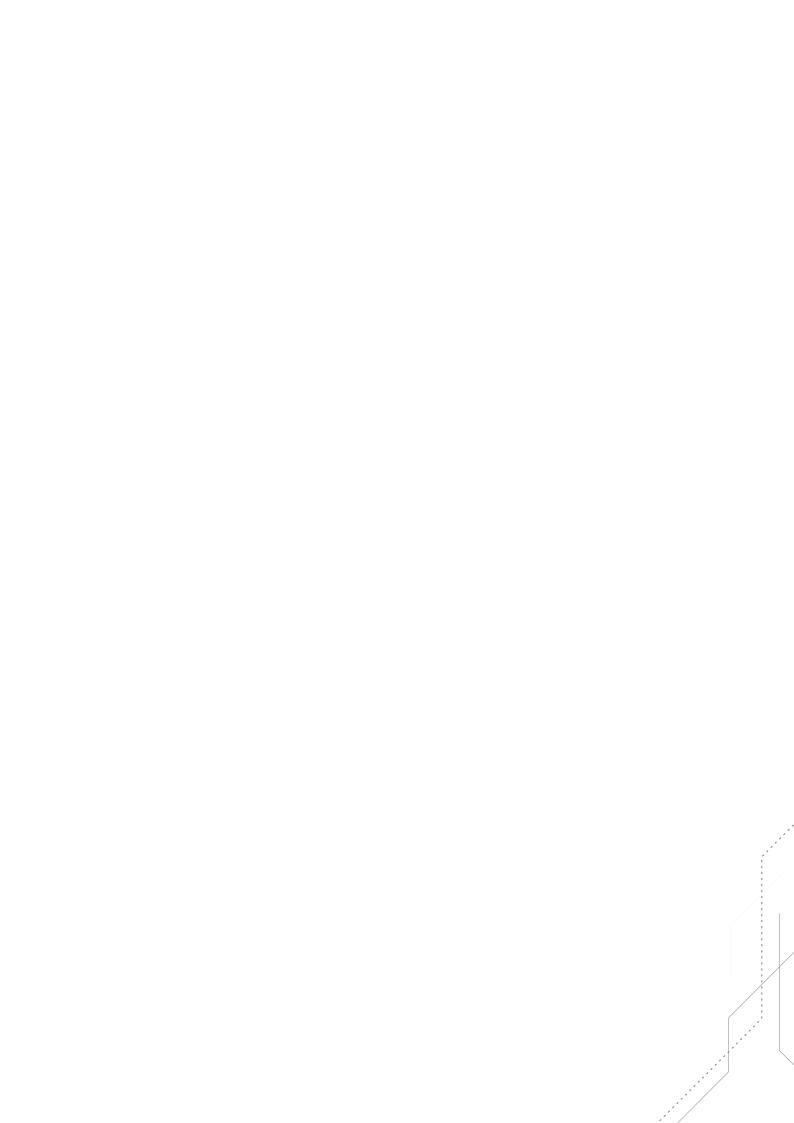
Most of the LAC countries have created programs to mitigate the economic and social impact of the pandemic. In spite of uneven impacts identified among the analyzed countries, the emerging opportunities involving the forest sector over the COVID-19 pandemic period are as follows:

The forest sector proved to be resilient: harvesting cycle are longer than other commodities and products can be stored and last over longer periods, among other differences. That helped to mitigate impacts and facilitated adapting to the "new normal";

The forest sector provided essential products: In practically all countries (except some countries e.g. Mexico), the forest sector was considered as a provider of essential goods and services. The forest industry produces pulp and paper, sanitary/hygiene products including toilet paper, towels, tissues and other essential products to overcome a health crisis. The forest industry also made available paper and cardboard for packaging and delivery of products to support the increased reliance on ecommerce and delivery services during lockdowns;

Increase in national funding and international cooperation: During the COVID-19 pandemic, most countries made available several forms of incentives to mitigate the social and economic impact.

Some international agencies also made available funding to mitigate the effects of the pandemicv(a)5(lc)]TJOI[1]





1 INTRODUCTION

1.1 BACKGROUND

The OOVID-19 pandemic has created an enormous disruption to human lives, livelihoods and economic systems worldwide. The on-going pandemic has precipitated a massive public health crisis and short-term economic contraction, shuttered countless businesses, big and small, thrown tens of millions out of work, disrupted global supply chains, severely strained fiscal capacity and safety nets, and continues to test global solidarity and multilateralism at a time when they are needed to address its impacts.

The papa842(crea)10(te)-3(d)14()j 0Jmturmoil lobal economies, ing o -5(p)n ss of livelihoods, extreme verty , and income equality and food insecurity, especially in some of the most vulnerable segments of society.

Due to the broad range of vital services that forests provide for economic functioning and human wellbeing, as well as their roles in providing income, livelihj.joods, and webeing of ple, especially rural communities, indigenous ples, all farms olders, and other forest --5(p)pendent communities, is important to assess the imacts f COVID -19 on forests nd forest5(p)pendt Aj.jeople. Since the utbreak of COVID -19, there are been orts of indigenous communities y1 0 n



1.3 METHODOLOGICAL APPROACH

1.3.1 Geographic Coverage

The study covered the Latin America and the Caribbean region. The analysis is LAC as a whole, with a focus on the



American countries responded to the questionnaire. Since the responses came from major countries with the relevance in analyzing the forest sector, they reflect the reality of the situation as respondents include governments, trade associations, civil society and indigenous group, among others;

The quality of collected responses to open-ended questions varied greatly ranging from general statements to detailed responses;

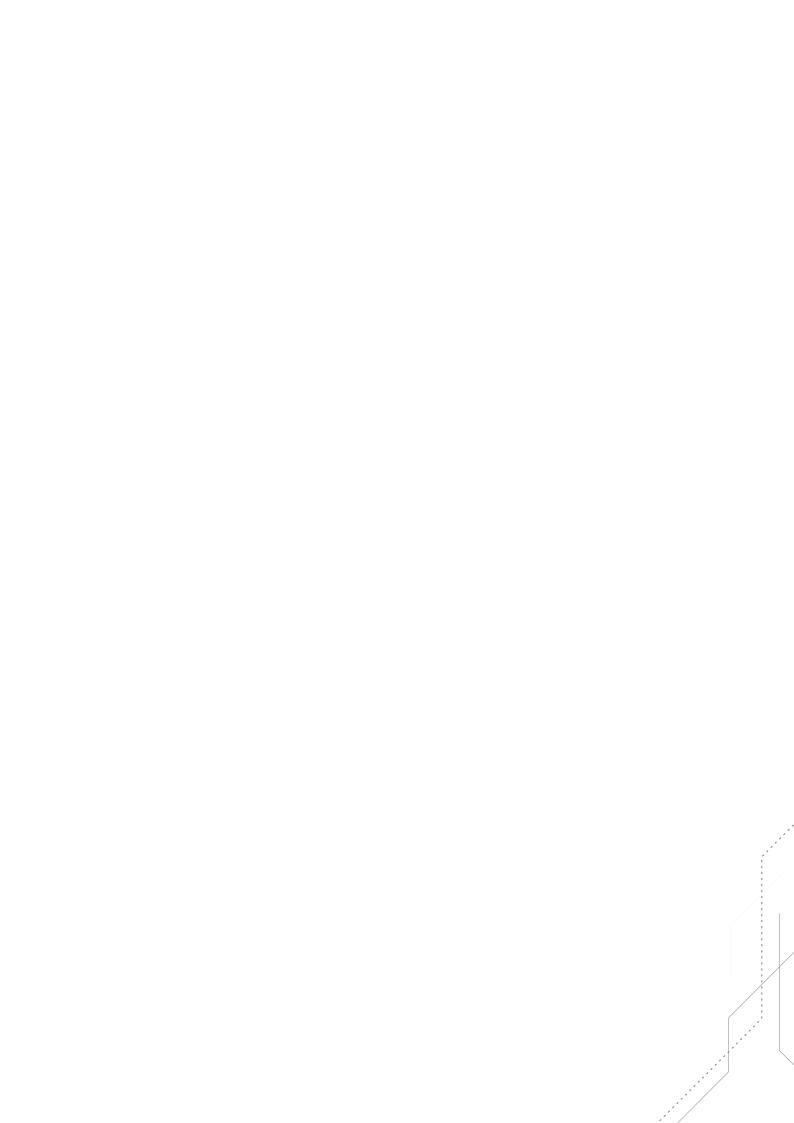
All collected answers relevant to the forest sector are reported in this document.

As for literature review, it is noteworthy that not all countries analyzed have the same database. Therefore, the contents of information differ among the countries because each country provides information varying in the level of detail. Moreover, the period of analysis varied according to the



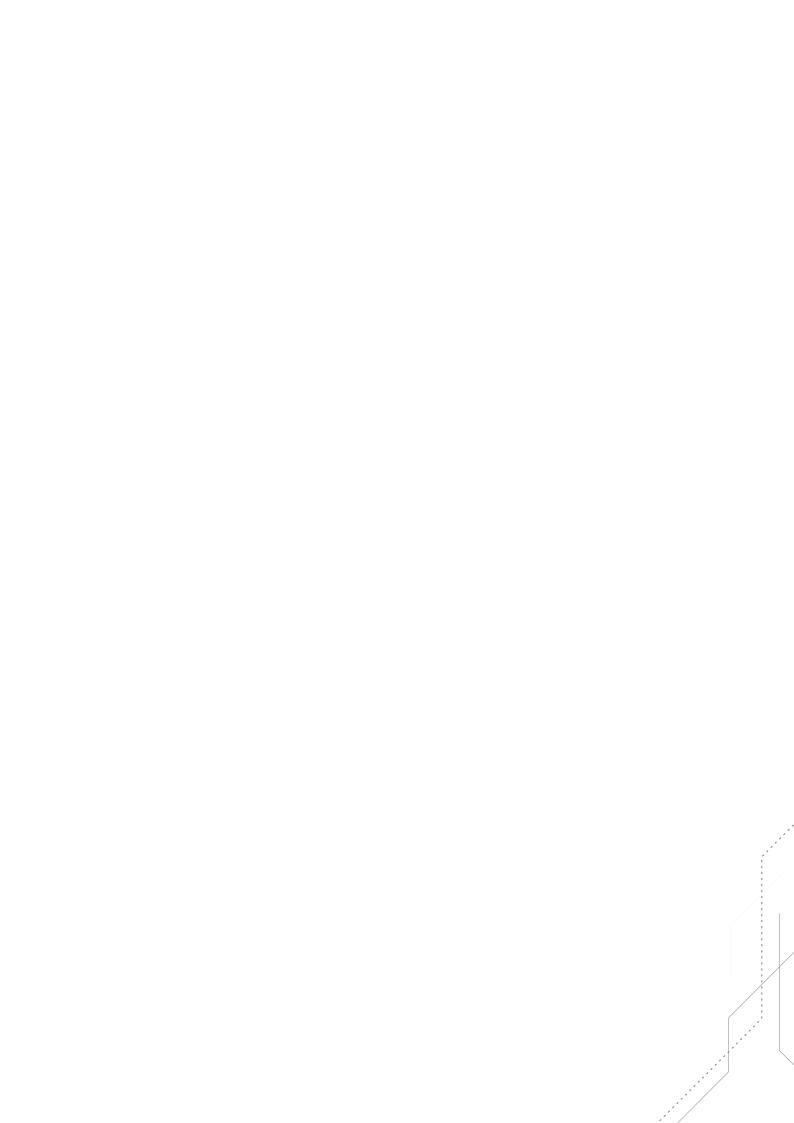
2 OVERVIEW OF THE MAIN MACRO ECONOMIC REGIONAL IMPACTS

This section provides an overview of the COVID-19 pandemic impact on the macroeconomic indicators of the LAC region, covering selected countries. According to the projections of the





Agriculture production is an important activity for the national economy. There





3 KEY FINDINGS OF THE IMPACT ON THE FOREST SECTOR

The key findings, including an analysis on the impact and implications of the COVID-19 pandemic, specifically on sustainable forest management and forest sector of Latin America and Caribbean (LAC) region, are presented in this chapter. The findings and analysis consider the impacts and implications in the LAC region as a whole, followed by more details involving selected countries.

3.1 GENERAL IMPACTS ON THE FOREST SECTOR OF THE LAC REGION

i.



countries, which make up the bulk of companies in the forestry sector and are highly vulnerable to economic recessions. Demand for other forest-



governments and mainly by market reasons, largely due to the postponement of order delivery (TOMASELLI, 2020c). In Mexico, the forestry industry, since i



who lost the highest percentage of jobs in that period. Thus, the cases cited from Peru (39%), Costa Rica (21%) and Chile (21%) are added to Colombia (12%), Brazil (10%) and Argentina (7%) (FORBES, 2020).

The report points out that "the common factor in the evolution of the labor markets has been the loss of jobs due to contention contagion measures" as well as the abandonment of the workforce by the new unemployed due to lack of expectations" because most of the economic activities were restricted (FORBES, 2020).

There is no segregated official information yet on the impact of the COVID-19 on the labor market and employment in the forest sector of Latin America and Caribbean countries. Most of the information presented in the section specific to each country reflects the general impact on employment of selected countries of the LAC region. In any case, the information can be used as a proxy to estimate the impact on employment involving the forest sector. In Mexico, 41% of the community forestry companies were forced to make staff cuts, while in the private forestry industry only 5% were forced to do so (CONAFOR Mexico questionnaire, 2020).

v. Forest Financing and Investment

The COVID-19 pandemic forced countries to take several mitigating measures, measures that have impacted all components of the Foreign Direct Investment (FDI)). Capital expenditures, investments in new areas and expansions have been hampered by the physical closure of some areas and the slowdown in production (InvestChile, 2020).

The financial markets, in turn, were also affected by the increase in uncertainties and the paralysis of economic activity. The searching for safe assets during the pandemic and the rush to liquidity put pressure on borrowing costs and credit became scarce, aggravating financial tensions. Lenders, concerned about consumers and businesses unable to pay pack, have tightened credit conditions. These effects can be further expanded through international financial ties, especially in countries that depend on external financing and with fiscal imbalances (Invest Chile, 2020).

Several countries of the LAC region created specific credit lines and established other alternatives to support companies and the society in the mitigation of the COVID-19 impact. The information on



Although primary forestry was exempted from the beginning of the quarantine, as an essential activity within the framework of agricultural production, the market supply of forest products is



94% indicated that their sales decreased. Of these companies, the majority declared significant drops in sales in the domestic market. More than half of respondents said sales decreased by more than 50%;

A total of 26% of the companies answered on the export forest products. The majority (63%) indicated that they reduced scheduled exports, 13% canceled and 25% continued to export normally;

When asked about the financial situation on April 20, only 13% indicated it was normal, while 87% indicated that they had faced a deficit.

Another report published by the government of Corrientes, in May 2020, reflects that in the context of the pandemic the forest-industrial market was seriously affected, both in domestic sales and in exports. The study included 256 companies related to the forest sector, in the four main forest zones in the province. The main results separated by forest zone are as follows (ARGENTINA FORESTAL, 2020c):

Northeast Zone:



projections, the pandemic may lead to the dosure of 5,000 production units, if the sector is not reactivated and imports are restricted (Publiagro, 2020).

iv. Labor Market and Employment

The increase in unemployment is coupled with the increase in informal employment, and during the pandemic the situation has worsened, given the restriction measures and biosafety protocols required for businesses to prevent the spread of COVID-19. Many companies have not managed to survive because the demand for goods and services has decreased considerably, so in many cases companies were closed and several other have stopped the operations and are paying compensation to their workers (CAF, 2020).

The impact of the quarantine due to the



writing paper have announced a temporary reduction in their production, reflecting the fall in demand (STCP, 2020).

Plywood segment was affected by the pandemic, especially along the first semester. In March and April 2020, the domestic demand of forest products in general decrease as a result of a reduction of activities in the civil construction sector (Forest2Market, 2020). Brazil exports most of its phenolic plywood production to more than 90 countries, and five important importers were highly affected by the pandemic (USA, UK, Belgium, Mexico and Germany). Together these countries represent almost 80% of the international market for the Brazilian plywood. The USA alone is responsible for the import of almost 70% of the Brazilian tropical plywood and more than 30% of the sawn pine. This market concentration created an environment of uncertainty (Tomaselli, 2020a).

On the overall, the national industry involved in reconstituted panels and solid wood products have suffered more than the pulp and paper industry. The main markets of these segments are the civil construction, the furniture and packaging industry. All these segments started shrinking in March 2020 due to restrictions imposed on population circulation and the scenario of uncertainties. In any case, at that early period, the forest industry expectation was that along the second quarter of 2020 that export would continue, mainly to some Asian countries due to a greater control of the pandemic in those regions that would allow gradually resuming the economic activities (STCP, 2020).

The export prices for the Brazilian solid wood products declined slightly in the first semester of 2020. However, the effect on the exports was small, as a result of gains of competitiveness in the international market taking advantage of the currency depreciation, generating, to some extent, a false perception of the impact of the pandemic on business. The analysis of the exchange rate fluctuation indicates that the depreciation of the Real currency in recent months is partly the result of a short accommodation of domestic political and economic factors. In real terms, the current exchange rate is equivalent to that of 2005. In any case, it is very likely that in the medium term the exchange rate will be again adjusted to a new level, below the current level, which will affect the exports of the Brazilian solid wood products (Tomaselli, 2020b).

The Brazilian Forest Service (SFB) adopted measures to mitigate the economic impacts caused by the COVID-19 pandemic in the forest concession contracts. The SFB postponed the quarterly payment due for forest production aiming to release the burden on the concessionaires and to maintain jobs and the financial health of companies. The other measure adopted to mitigate the impact involved a Brazilian Development Bank (BNDES) emergency credit line, created to support small and medium-sized companies to overcome the economic crisis caused by the COVID-19 pandemic (SNIF, 2020).

The measures adopted by SFB postponed the collection of approximately R\$ 4.8 million in concession fees, from April to December 2020. All forest concession contracts will benefit from the postponement of payment of the quarterly installment 01/2020 and no fee adjustment will be applied (SNIF, 2020).

ii. Livelihoods of Forest-dependent People, Indigenous Peoples and Local Communities



In Brazil, since the creation of the National Indigenous Foundation (FUNAI) in 1967, different government institutions and agencies have taken responsibility for assisting indigenous peoples. In 1999, this policy changed, resulting in the creation of the indigenous health subsystem of the Unified





Source: SESAI, 2020

In July 2020, the federal government of Brazil signed Law 14.021/2020, which establishes actions to contain the progress of COVID-



The domestic market declined in March and April, mainly as a result of uncertainties created by the pandemic, which reduced the national economic activity as a whole. In general, there was a reduction in demand, with reprogramming of orders;



The National Monetary Council (CMN), through Resolution Nº 4.810/2020, approved a series of measures to reduce bureaucratization in the granting of financing to rural producers. The measures were adopted on an emergency basis, due to the crisis caused by the COVID-19 pandemic, which restricted the movement of people with social isolation.

In addition, some special credit lines were created to help rural producers during the pandemic period: special credit line under PRONAF (National Program for Strengthening Family Farming), special credit line at PRONAMP (National Support Program for the Medium Rural Producer); Emergency FNO (Northern Constitutional Fund) with interest of 0.21% per month and differentiated conditions (BASA, 2020).

3.3.4 CHILE

i. Forest Sector and Sustainable Forest Management

Based on news published in August 2020, the forestry and timber industry in Chile was working at a production level of around 85%, with extreme health care, with evident impacts on world trade and in particular on the forestry sector, where there is a lag of impact in relation to other productive activities (LOGINEWS, 2020).

The Chilean government defined that pulp and paper companies, paperboard and derived products could remain in operation, with the necessary licenses so that their work was not interrupted during the COVID-19 pandemic. The production of pulp derivatives plays an important role at the domestic level and at the health level. Therefore, forestry production was considered an essential activity to maintain the supply of hygienic products such as baby wipes disposable wipes, toilet paper, clinical dothes, masks and sanitary clothes for hospitals, cleaning materials, medicines and food packaging, among others (DIARIO EL CENTRO, 2020).

Harvesting and transportation activities, most often carried out by small and medium-sized companies, continued to operate normally. Transport volumes have been affected due to decreased production, and ² villages (CORMA, 2020).

In the forestry sector, companies involved in importing, for example, should operate with partial capacity, and it may recover quickly. In addition, as suppliers of forest producers are small and medium-sized enterprises (SMEs), is expected a shortage of local production due to the bankruptcies of the small-sized companies (CONAF Chile questionnaire, 2020)

Through the Economic Reactivation Program for small and medium-sized forest companies, preventive and sanitary management of native forest, afforestation and recovery of forests affected by forest fires or climate change, will be carried out on 24 thousand



ii. Livelihoods of Forest-dependent People, Indigenous Peoples and Local Communities

In the context of the health and economic crisis that Chile and the world are experiencing, indigenous or native peoples are one of the most vulnerable groups in the face of the impacts of the COVID-19 pandemic and the resulted economic crisis, due to various social inequalities they face. This is added to the overload of diseases they face, such as the high rates of diabetes and hypertension because of the dietary changes caused by the territorial reduction.

Likewise, given Chile's economic, social, and cultural inequalities, the effects of poverty and unemployment will disproportionately affect indigenous or native peoples who inhabit both rural and urban areas.

According to the 2017 Census, the indigenous peoples in Chile represent 12.8% of the country's total population, which means approximately 2.1 million people, with the Mapuche people being the most numerous (1.7 people). Likewise, there is a trend in the progressive increase of the indigenous urban population. The same study shows that 87.8% live in urban areas (Comunidad Indígena Yagán, 2020).

Since the start of the COVID-19 pandemic in Chile, indigenous organizations have requested epidemiological information from the government and the Ministry of Health to learn about the impact on their communities and, also, th5(fa)1oic9a[D



Forest exports in June 2020, for example, fell by 8.1% in relation to the previous month, totaling USD 410 million, according to the Forestry Institute (INFOR). Both China and the United States are the main destinations for the country's forest products exports and have registered significant declines in their demands. China, which represents 30% of shipments, registered 28% less purchases, while the United States, with 18% share, reduced their imports by 10%, compared to the first half of 2019 (CONAF Chile questionnaire).

On total forest exports along the first half of 2020 decreased in most of the exported products, especially bleached pine pulp, in which sales totaled USD 407 million and a 33% drop in the first half of 2020. Over the same period bleached eucalyptus pulp with sales reached USD 502 million, a 28% decrease. The group of sawnwood, planed wood and glued panels, among others, had a 22% drop in the first half of 2020, followed by plywood in which sales fell 17% as compared with 2019. Wood chips exports were less affected, showed an increase in exports until May 2020, and in June a slight drop of 1% Coated multilayer cardboard grew 19% compared to January-June 2019 (CONAF Chile questionnaire, 2020).

It is noteworthy that in terms of wood pulp, three of the four largest pulp-exporting countries, Brazil, the United States and Chile, increased their shipments between 12% and 26% in March month-onmonth. The five top importing countries all purchased more



A Labor Protection Law was created to protect the workers, allowing them access to unemployment insurance benefits, with the main measure being the suspension of the employment contract by an act of authority (quarantine). In addition, an Emergency Family Income (IFE) was created, which corresponds to economic aid for households that receive insufficient formal income or informal workers, and whose resources have been reduced because they cannot work due to the COVID-19 pandemic (CONAF Chile questionnaire, 2020).

v. Forest Financing and Investment

In Chile, a credit granting initiative aimed at economic recovery during the pandemic period was proposed, the Guarantee Fund for Small Entrepreneurs (FOGAPE), managed by the federal bank. The main objective was to make available to micro, small and medium-sized companies and companies with annual sales of up to) 1 million UFs (Chilean Development Units), new credits to generate the liquidity they lack in times of crisis, especially the crisis caused by COVID-19.

3.3.5 COLOMBIA

i. Forest Sector and Sustainable Forest Management

In a questionnaire applied to the National Federation of Wood Industry (FEDEMADERAS Colombia - Federación Nacional de Industriales de la Madera), it was found that in general, all forest activities were affected by the COVID-19 pandemic, including forest management, forest-base industry, logistics and trade.

The main activities affected during the pandemic are the proper functioning of environmental authorities in the country, especially those related to the monitoring of actions for the formulation of forest management and management plans, as well as field monitoring of requests for the sustainable use of natural forests. Smilarly, the processes of forest governance and capacity buildings of the communities that live on the forests have been affected. Several works related to the forest supply chain (wood and non-wood products) were affected by the pandemic (Cancillería de Colombia questionnaire, 2020).

ii. Livelihoods of Forest-dependent People, Indigenous Peoples and Local Communities

In the Colombian Amazon, the number of confirmed cases among indigenous people reached 18 thousand, resulting in more than 600 deaths as of October 2020. The survey comprises the departments of Amazonas, Caquetá, Guainía, Guaviare, Putumayo, Vaupés, Arauca, Casanare, Vichada and Meta (COICA, 2020).

iii. Forest Industries and Domestic / International Demand for Forest Products and Services

Colombia exports are highly dependent on natural resources. About 75% of the value of exports is made up of raw materials, mainly petroleum and its derivatives (NACIONES UNIDAS, 2020b). Forest products are important mainly for the domestic market, but have a relatively small contribution to exports.



ii. Livelihoods of Forest-dependent People, Indigenous Peoples and Local Communities

Costa Rica recognizes eight indigenous peoples: Bribri, Brunka, Cabécar, Chorotega, Huetar, Ngöbe, Maleku and Térraba, with a total of 24 territories created through executive decrees. They are located in 6 of the 7 provinces that make up the country, and with



According to the INEC analysis for the quarter between May and July, the unemployment rate increased 12.9 percent and 270 thousand people were affected. The increase on unemployment was higher among women (MTSS, 2020).

v. Forest Financing and Investment

Costa Rica introduced financing for environmental related projects to mitigate the impact of the COVID-19 pandemic. The initiative opened three financing options, one of which is a line of up to approximately USD 8,700, with a ten-year term and a fixed rate of 4% per year, for the development of production, working capital, infrastructure, equipmen(in)5(g)1her



credit line, was started on May 25, 2020, for the production reactivation so that the payroll and operating costs of micro, small or medium-sized companies can be covered. The Pacific Bank (Banco del Pacífico) was the first institution to offer the loan, with rates of up to 5%, a 36-month term and a 6-month grace period (LA REPUBLICA, 2020b; MAAE Ecuador questionnaire 2020).

In order to reactivate the country's economy, since the health emergency due to COVID-19 pandemic was declared, Ban Ecuador invested USD 440.7 million in the 24 provinces, between new loans and obligations agreements (refinancing, restructuring and innovation) in the total of 76,694 operations. The SMEs were supported by a credit of USD 27 million, which contributes to the creation of jobs and the reactivation of the economy (MAG Ecuador questionnaire, 2020).

3.3.8 MEXICO

i. Forest Sector and Sustainable Forest Management

The COVID-19 pandemic has impacted severely Mexico, particularly villages that carry out community forest management and that also develop ecotourism projects as part of their source of income. These traditional communities are facing the collapse of the timber market, as well as the absence of tourists (IFSA Mexico questionnaire, 2020).

Ourrently, more than 60% of the Mexican territory has forest cover that provides important ecosystem services. Most of the total forest areas $ejidos^3$ communities that are inhabited by 10.9 million people. In 2016, 80% of the area under forest use ejidos

Mexico (WRI MEXICO, 2020).

According to Conafor, there are 2,943 *ejidos* and communities that carry out forest management. For those *ejidos* and communities in the country, that contribute to 80% of the national forest production, forestry represents their main economic activity (ELECONOMISTA, 2020)

The *ejidos* that carry out community forest management offer to the market wood products, non-wood products and ecotourism services. As the activities had to be suspended, a great impact was faced during the peak periods of the quarantine. Additionally, the bureaucratic procedures involved to comply with regulations imposed by the pandemic, have been almost completely paralyzed the activities in the Mexican forest sector (IFSA Mexico questionnaire, 2020).

It is expected that with the resumption of the civil construction sector, forestry companies will be able to return to their operation activities and gradually increase production. Additionally CONAFOR is allocating subsidies to mitigate the COVID-19 pandemic impact and support community forest management (IFSA Mexico questionnaire, 2020).

In Mexico, all activities in the forest production chain have been affected by the pandemic, aggravated by the failure to consider forestry activities as essential in the country during the pandemic. In Mexico, there was a decrease in forest production and of the areas under authorized management. CONAFOR is discussing,

regrading the reconsideration of



will be pursued through the Treaty between Mexico, the United States and Canada (T-MEC) (CONAFOR Mexico questionnaire, 2020).

ii. Livelihoods of Forest-dependent People, Indigenous Peoples and Local Communities

The Pan American Health Organization (PAHO) points out that in Mexico, until July 26, 5.4 thousand cases of COVID-29 were confirmed among traditional peoples, including 766 deaths. In addition to the impact on health, the pandemic has also affected the local economy of communities that must seek alternatives to support themselves. In Mexico, as well as in Guatemala, food product exchange practices have been resumed. The contagions reached not only the elderly people, with more number of deaths, but also the community between 35 and 50 years old (DW, 2020b).

ng indigenous and Afro-Mexican

peoples before COVID-

prevention, surveillance measures and care related to COVID-19, in the context of indigenous lands. It also has strategic mechanisms to provide counseling and support to the indigenous migrant population (GOBIERNO DE MEXICO, 2020).

iii. Forest Industries and Domestic / International Demand for Forest Products and Services

The economic crisis caused by COVID-19 pandemic affected the demand for forest products at national level. In Mexico, the forest sector was not considered an essential activity, and was paralyzed for several months due to the pandemic. This led to a reduction in the production, mainly at the community level, where many people temporarily lost their jobs or had their wages reduced (IFSA Mexico questionnaire).

Some timber industries have not stopped their activities completely, but their production was reduced due to the slow mobility, involving the supply of raw material and trade of their products. In fact, there is a general decline in sales since the second half of 2018. Sales by some companies decreased by around 30% compared to 2019, others observed a decrease in their production u



most important forest state in the country, forest production was reduced by up to 30% compared to the same period in 2019. Likewise, it was noticed that in the second half of 2020, in the period from July to September, production doubled from 821,671 m³ to 1,666 m³ (CONAFOR Mexico questionnaire, 2020).

In Michoacán State, there were impacts on the resin industry. The state produces 90% of the pine resin of the country, involving 18 companies that process the raw material. These companies have stopped their operations and cancelled the acquisition or raw material from forest producers, and around 50 thousand people lost their main source of income, according to the Mexican Qvil Council for Sustainable Forestry COMSS(LA JORNADA, 2020 and (CONAFOR Mexico questionnaire, 2020).

iv. Labor Market any



The COVID-19 reduced the domestic demand of forest products along the first semester of 2020, but there was no impact on the exports. According to data provided by the Directorate of Forest Commerce and Industry (DOF) in November 2020, exports of wood products grew between March and September 2020.

Data on the Paraguayan exports of forest products covering the pandemic period (March to September 2020) are presented in table 5. In terms of export volume (in kilograms), charcoal exports grew 23%, while sawnwood showed an increase of 58%. In terms of FOB value (USD), charcoal, for instance, exports grew 34% in the period, whereas sawnwood grew 97%.

Table 5 Export of selected forest products during the period March-September (2020) in Paraguay

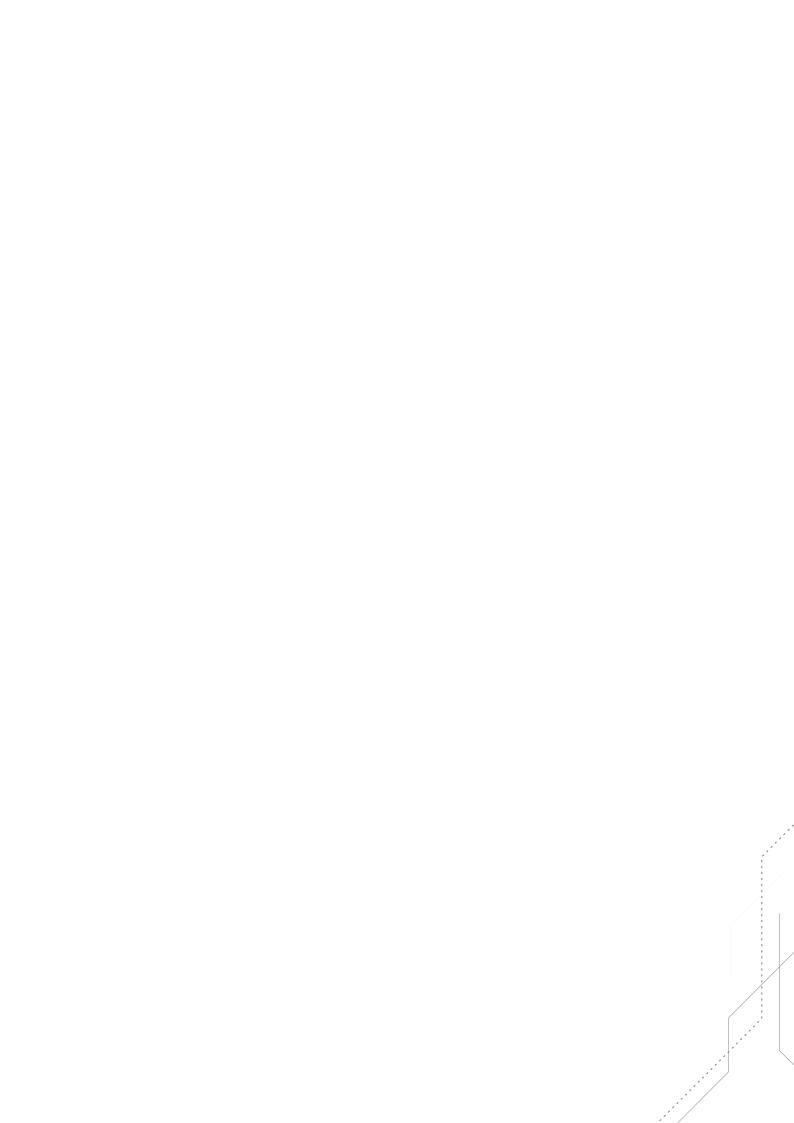
	Value of exports (FOB/USD)							
Product	Mar	Apr	May	Jun	Jul	Aug	Sep	Var (%)
Charcoal	2.374.719	1.824.302	3.087.353	3.127.540	3.846.650	3.206.4411		

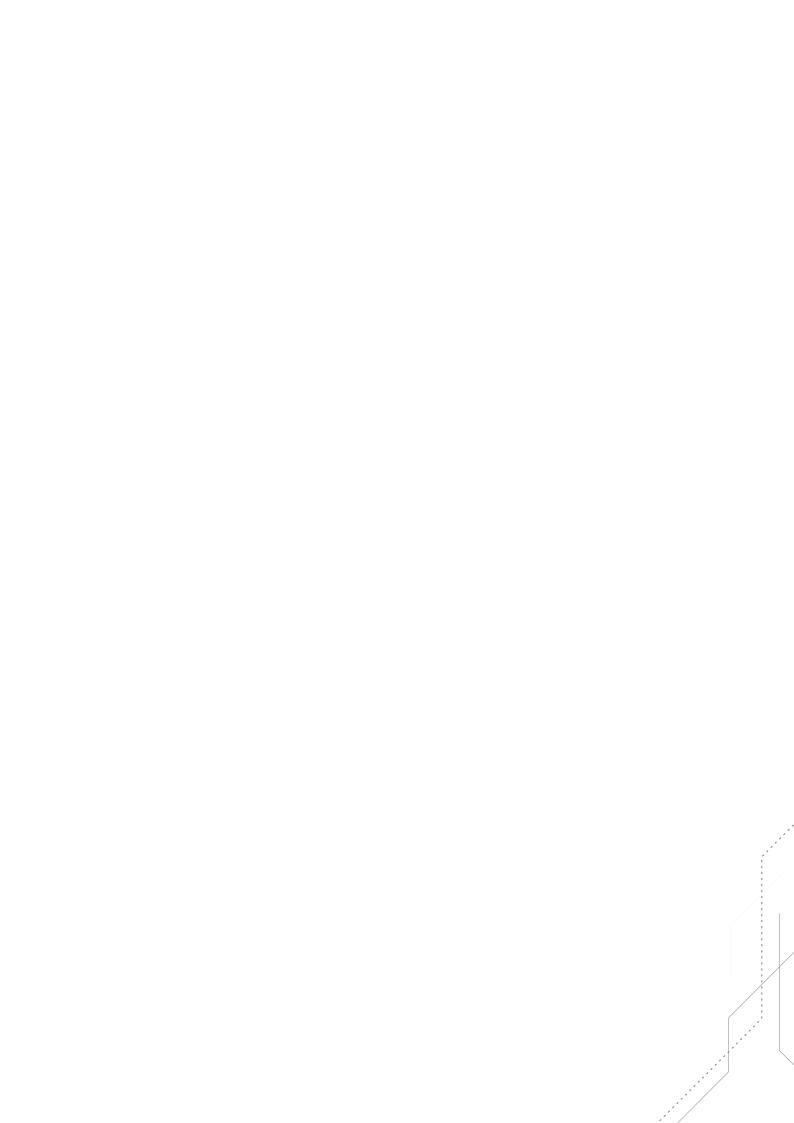




intensified to which AIDESEP indicated that "coordinated measures are urgently needed in a multisectoral way" (DW, 2020).

iii. Forest Industries and Domestic / International Demand for Forest Products and Services







Some of the credit, financing and investment assistance measures aimed at the business sector, including forest-based companies, are:

Tool for companies affected by COVID-19: It is a platform that in just three steps provides the support options according to the specific characteristics/ needs of each company;

Targeted credit program: Financial support to SMEs through loans for working capital, longer payment terms, reduced interest rates and a long grace period;

Economic productivity and employment: Financing programs for SMEs and short-term liquidity guarantees, foreign trade guarantee and loan restructuring;

Production credits: implementation of a production credit program for small and mediumsized companies under more flexible conditions;



companies were affected, reforestation projects were paralyzed due to mobility restrictions (IFSA Panama questionnaire, 2020).

ii. Livelihoods of Forest-dependent People, Indigenous Peoples and Local Communities

Indigenous peoples have resorted to their own means to report cases and contain the COVID-19. For



4 EMERGING OPPORTUNITIES

This section present the emerging opportunities brought about by the COVID-19 pandemic to ensure the sustainable development of the economy, for the benefit of the society as a whole. Most of the LAC countries have created programs to mitigate the economic and social impact of the pandemic. The success of these country mitigation programs remain to be assessed. In any case, the forest sector was also benefited.

The forest sector involves a range of activities, such as forest management and forestry operations, logistics, industrial processing and trade. All these forest-related activities were affected by the COVID-19 pandemic, and the emerging opportunities identified



The forest continued to be sustainably managed

In spite of some limitations, sustainable forest management continued over a long pandemic period. Forest management, for timber and non-timber production, is a long cycle activity



consumption of forest products, and reporting the impacts of pandemic crisis and the effectiveness of government responses.

Provide Support to indigenous people and local community

Lack of information on the pandemic resulted and late reaction from the indigenous people and other communities located in remote areas. To allow a quicker reaction it would be advisable to prepare protocols for the setup of early alerts, especially on health crisis such as the pandemic. This involves the establishment and management of information systems. Additionally propose a contingency plans for the protection of health in highly vulnerable indigenous people and in initial contact;



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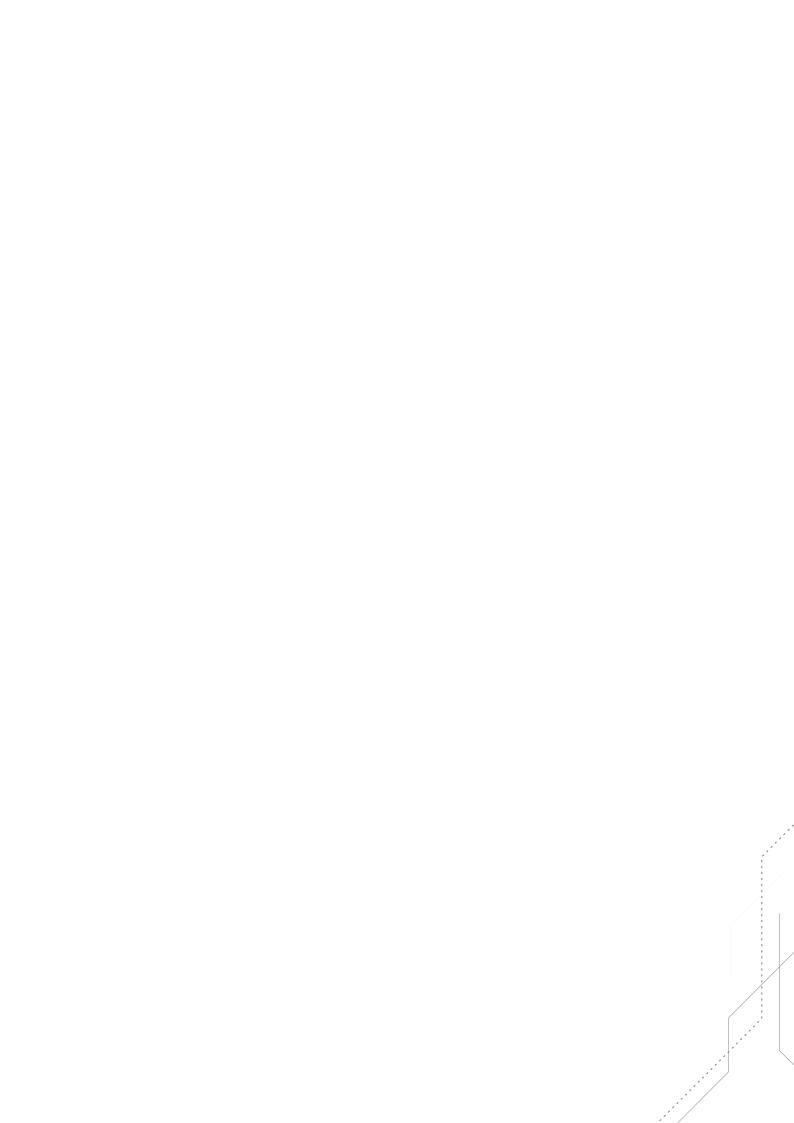


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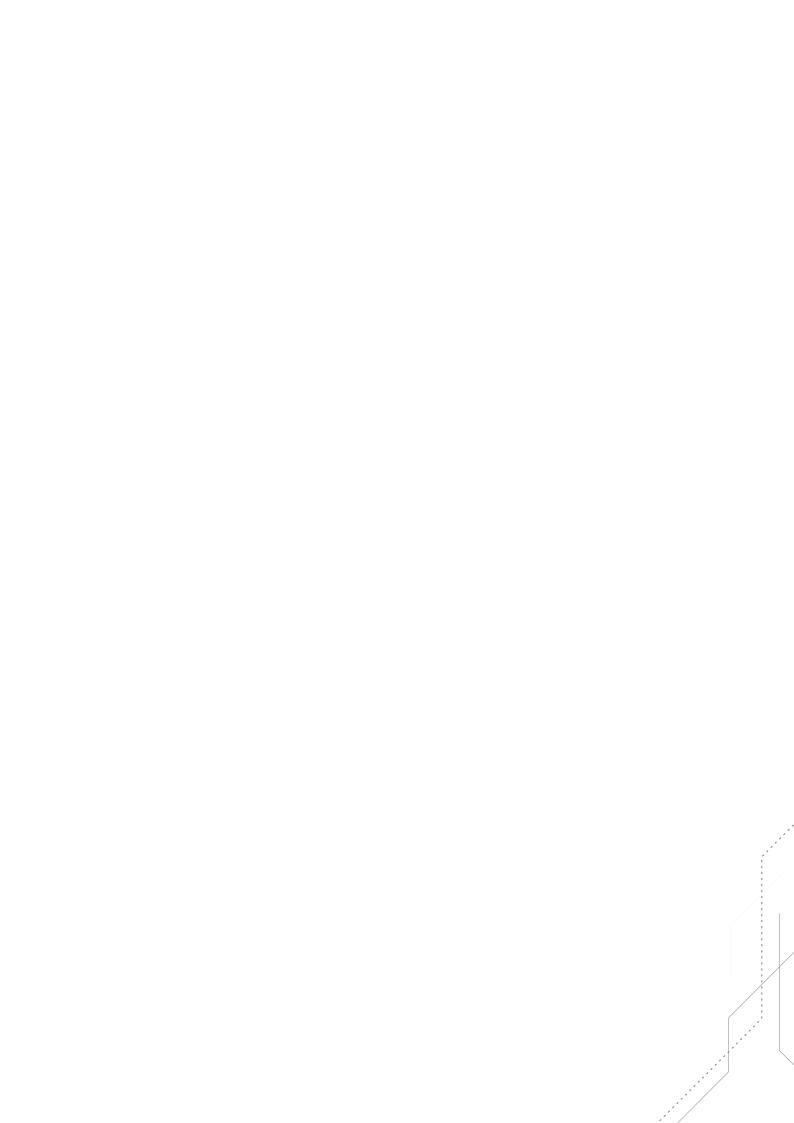


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ANNEX 1 - LIST OF CONTRIBUTIONS BY COUNTRY

COUNTRY	INSTITUTION	CONTACT
Brazil	ABIMO Associação Brasileira da Indústria de Madeira Processada Mecanicamente (Brazilian Association for Mechanically Processed Timber)	Mr. Paulo Pupo
Brazil	Major Groups Latin America and the Caribbean Region	Ms. Fernanda Rodrigues



COUNTRY	INSTITUTION	CONTACT
	of Mexi∞	Sanchez
Panama	IFSA International Forestry Students Associationin Chile	-
Paraguay	INFONA/ DGPF National Forest Institute/ General Directorate of Forest Plantations	Mr. Cristian Fox
Paraguay	INFONA/DGEEF National Forest Institute/ General Directorate of Forestry Education and Extension	

