



Building sustainable, resilient and thriving rural places



Jose Enrique Garcilazo

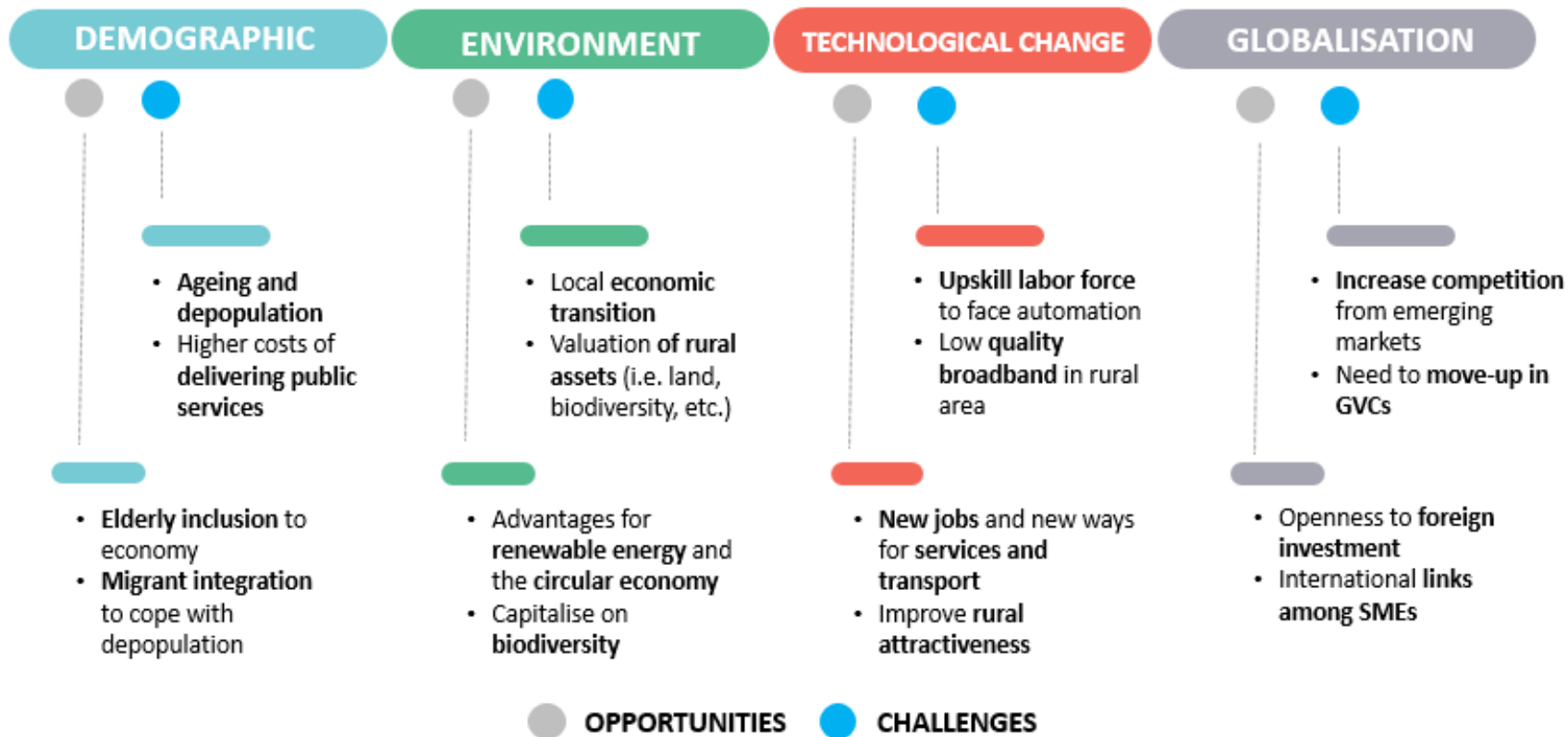
OECD Expert Workshop in Latvia

Forestry for the future:

Uniting Stakeholders for climate action and sustainable growth

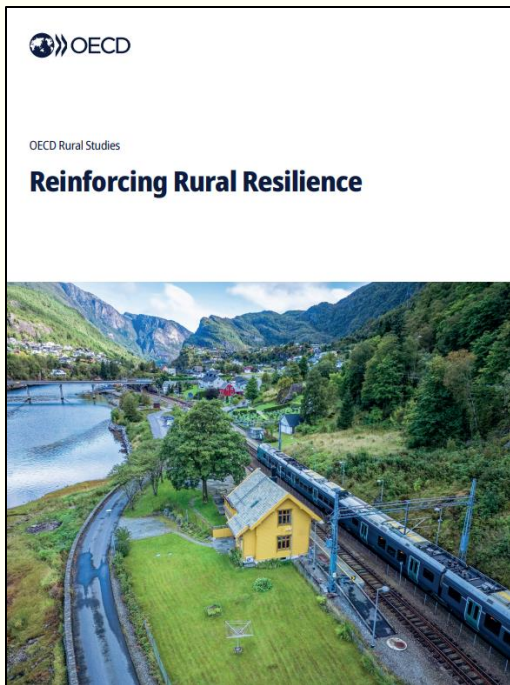


Megatrends are shaping our economies and societies in new ways...



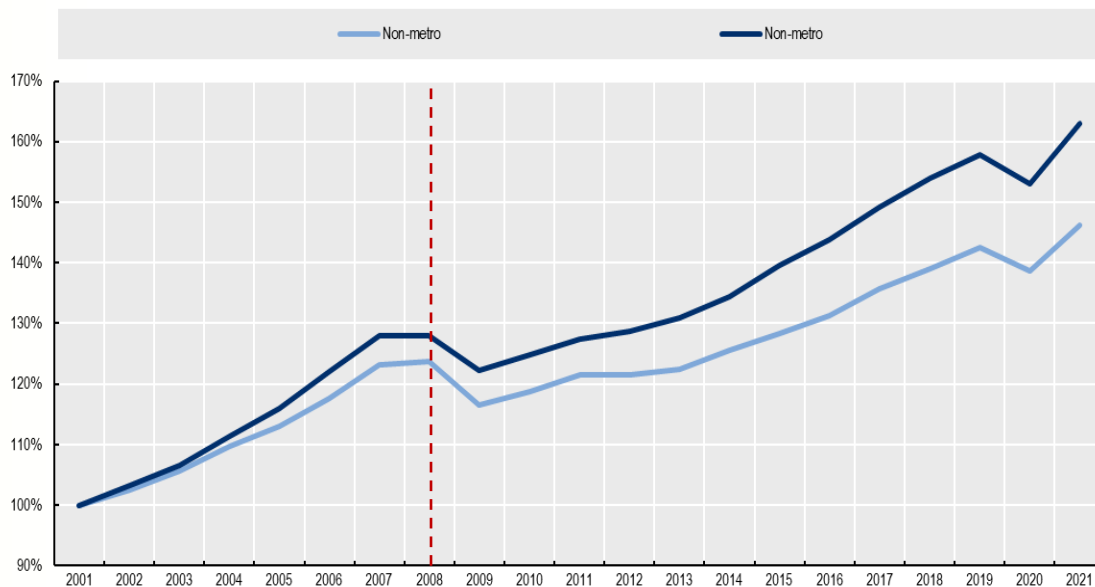


Rural at a crossroads: finding a place in a changing world



Divergence in economic activity: GDP trend 2001-2021, metro vs non-metro regions

GDP change, in % (2001 = 100%)



Source: OECD data analysis



Rural is not a burden: OECD granular data shows pockets of opportunity amid shrinking rural populations

Automation and capital contributing to productivity and transforming rural places

Data Facts:



In 3 OECD countries, rural GDP outpaced metros (2001–2021)



In 11 OECD countries, > 50% of rural regions beat national GDP per capita growth (rural near cities with highest growth)



Almost 1 in 2 OECD manufacturing jobs are in rural areas



Rural = 63% of OECD renewable electricity



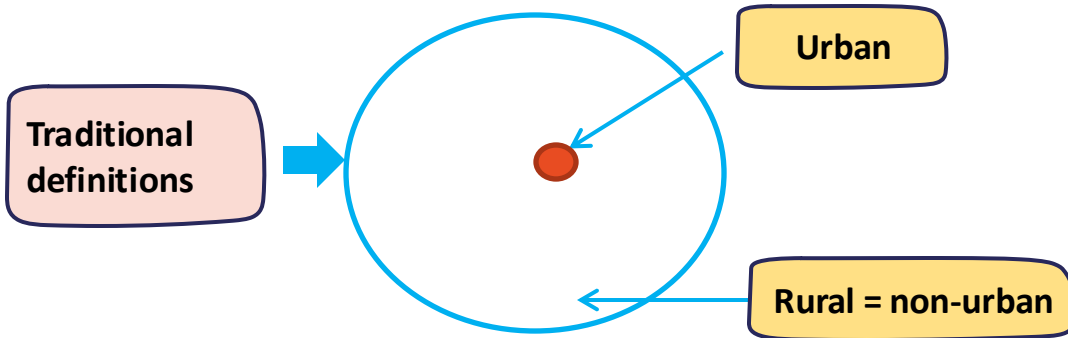
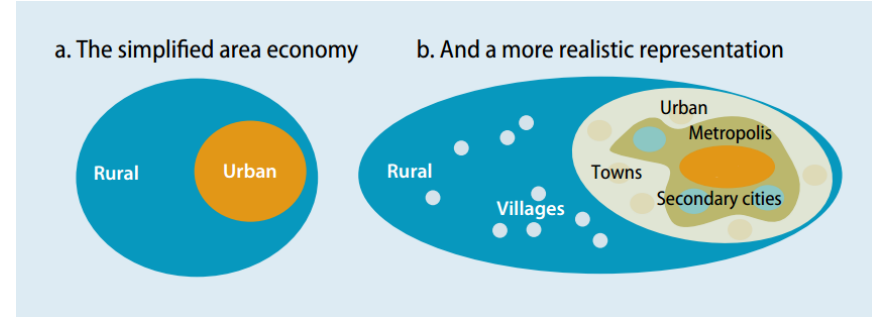
20 % of rural jobs are green jobs

STAR sources of rural growth





Importance of defining rural spaces





Why do we care about forestry?

Economic Dimension

- Timber production
- Non-timber products (Fruits, mushrooms, medicinal plants, etc.)
- Ecotourism
- Bioeconomy



Social Dimension

- Recreation
- Community development
- Nature education
- Culture & tradition



Environmental Dimension

- Habitats for plants and animals
- Carbon sinks
- GHG reduction
- Air & water purification
- Flood & landslide prevention



Improve well-being in rural regions with forests and forestry



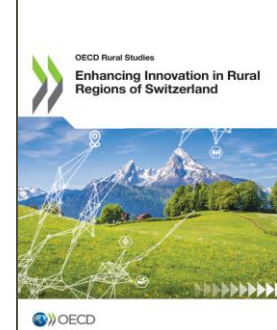
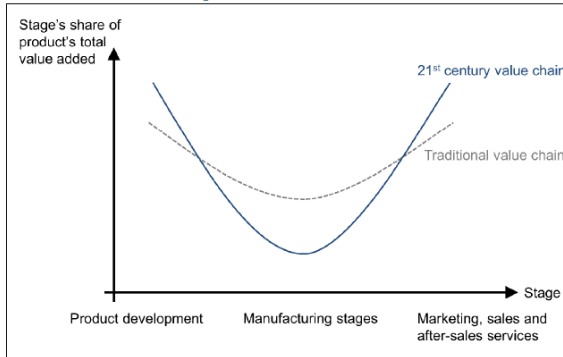
Spatial territorial typology of forestry

	Forests in FUA	Forests near FUA	Forests far from FUA with Agriculture	Forests far from FUA without Agriculture
Economic	Less important for local economy Vulnerable to urban pressure on land-use conversion	Recreation-based tourism Supplemental timber income for private landowners	Land switches between pastures and forests depending on profitability Forests offer secondary incomes for farmers	Forests are dominant source of economic activity with integrated industries. Limited profitability in remote unmanaged areas
Social	Enhances well-being through recreational spaces , cooling and aesthetic value	Improves quality of life for nearby residents, offers spaces for leisure and recreational ; serves as green buffers against urban sprawl	Enhances diversified non-farm income; offers opportunities for agroforestry and diversified land use	Supports remote communities economically in integrated regions; can provide energy sufficiency through bioeconomy
Environmental	Provide cooling to urban heat spots and critical ecosystem services such as air purification and stormwater management.	Supports carbon sequestration, biodiversity, and acts as a green barrier, mitigating pollution from urban areas .	As more disadvantageous for farms, abandoned forests regenerated – this is a significant new source of forests in some regions	Critical for carbon sequestration , water recharge, wildlife habitats, and prevention of natural disasters like landslides.

Adding more value in tradable activities

- **Identifying drivers in rural areas (smart specialization)**
 - Tradables (manufacturing), RE, natural resources, fisheries, forestry, agriculture, tourism, culture, natural amenities
 - Finding the niche (smart specialisation)
- **How to add value in these domains**
 - Policy focus on enabling factors: **skills, accessibility, market intelligence, institutions, innovation**

The 'smile curve' has deepened





Areas of opportunities in transformation to net-zero economy for rural areas

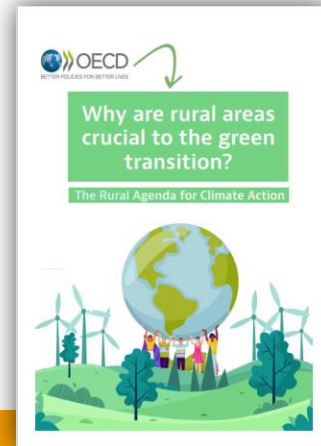
Renewable Energy Production: Rural areas have a comparative advantage in renewable energy production (land and pop. density)

➡ **Bioeconomy and Circular Economy:** Opportunities to develop sustainable local economies

Sustainable Mobility: Potential for rural regions to benefit from community led and social mobility solutions.

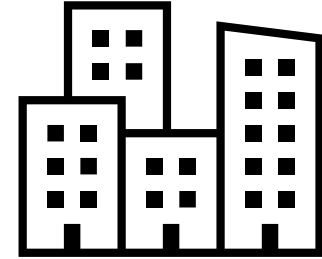
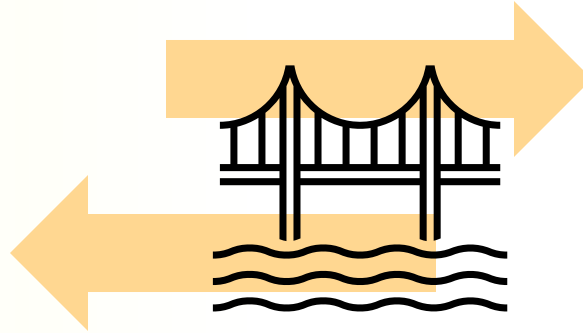
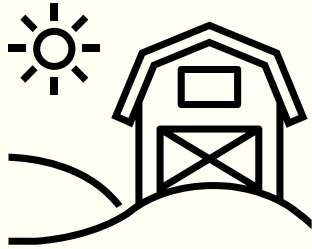
➡ **Biodiversity:** Protect and enhance biodiversity by conserving natural habitats and species, supporting ecosystem services.

➡ **Community Involvement:** The need to ensure that rural communities are actively involved and benefit from the green transition.





Better and more effective policy responses are needed



Placed-based policies

Diagnosis and data:
Evidence based data and customize policies to different types of rural regions (close to cities, and remote).

Geography of opportunities

Strategic planning:
Coordinate sectoral investments (e.g., energy and agriculture) to promote integrated development and local job creation.

Local empowerment

Bottom up:
Allow local governments and communities to make decisions, ensuring solutions are tailored to their unique requirements.

Building scale

Horizontal cooperation:
Cooperate with adjacent municipalities and communities using functional criterion to build up economies of scales and of scope.

Improved access to quality services

Holistic approach:
Upgrade services (education, health, housing, digital) to reduce distance penalty, isolation and improve quality of life.

Thank you!



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Principles on Rural Policy: Scale, Strategy, Stakeholders

OECD Rural Studies

Rural Well-being

GEOGRAPHY OF OPPORTUNITIES

