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Seminar on
STRATEGIES FOR THE SOUND USE OF WOOD
Poiana Brasov, Romania
24-27 March 2003

REPORT OF THE SEMINAR

Introduction

1. The seminar on Strategies for the sound use of wood was held in Poiana Brasov, Romania, from 24 to 27 March 2003, under the auspices of the UNECE Timber Committee and the FAO European Forestry Commission and at the invitation of the Government of Romania. Participants from the following countries attended: Albania, Austria, Bulgaria, Croatia, Finland, France, Germany, Latvia, Lithuania, the Netherlands, New Zealand, Poland, Romania, the Russian Federation, Sweden, Switzerland, Turkey and United Kingdom.
2. The following intergovernmental organizations participated in the Seminar: European Commission, Ministerial Conference on the Protection of Forests in Europe (MCPFE), and World Bank.
3. The following nongovernmental organizations also participated in the Seminar: Confederation of European Forest Owners (CEPF), Confederation of European Paper Industries (CEPI), European Confederation of Woodworking Industries (CEI-Bois), European Forest Institute (EFI), Forest Stewardship Council (FSC), International Institute for Applied Systems Analysis (IIASA), Pan European Forest Certification (PEFC), Union des Sylviculteurs du Sud de l'Europe (USSE) and WWF.

Opening of the session

4. Participants were welcomed by Mr. O. Neagoe, Prefect of Brasov, Mr. Ovidiu Ionescu, State Secretary of Forestry, Ministry of Agriculture, Food and Forests of Romania, Mr. Filip Georgescu, General Director, National Forest Administration, and Mr. Christopher Prins, Chief, Timber Branch, ECE Trade Development and Timber Division.

5. Messrs. Ionescu and Georgescu made a presentation on sustainable management of forest and wood industry in Romania.

Adoption of the agenda

6. The provisional agenda and programme was adopted.

Election of officers

7. Mr. Ovidiu Ionescu was elected Chairman of the Seminar and Mr. Florian Borlea Vice Chairman.

Discussion of the Seminar

8. The Seminar heard and discussed 5 keynote speeches and 29 papers. There was a roundtable discussion with representatives of major stakeholder groups and a poster session where 6 posters were presented. The proceedings with the original papers in the original language and an abstract in the three official languages were provided to participants and posted on the Timber Committee website before the Seminar.

9. The keynote speeches were given by: Mr. David Bills (United Kingdom) on *Linking sustainable forest management to timber sourcing decisions and policies*, Mr. Wulf Killmann (FAO, presented by Mr. Jacques Lahaussois) on *Forest products utilization and sustainable development*, Mr. Jeremy Wall (European Commission) on *Sustainability through competitiveness*, Mr. Gerard Buttoud (France) on *What the international dialogue on forests has changed in the role of production in promoting SFM?* and Mr. Duncan Pollard (WWF) on *From good forest management to the sound use of wood: an NGO view*.

10. The Seminar was structured around five themes:

Session I: What is sound use of wood?

Session II: How to stimulate sound use of wood?

Session III: New markets and consumption patterns

Session IV: Strategies for sound use of wood in central and eastern Europe

Session V: Trade and environment

11. At the Session I the following papers were presented: Mr. Arno F. Frühwald (Germany) on *Comparison of wood products and major substitutes with respect to environmental and energy balances*, Mr. Jan Hagstedt (Sweden) on *The competitive climate for wood products and paper packaging; the factors causing substitution with emphasis on environmental promotion*, Mr. Jeremy Wall (European Commission) on *Potentials for the European woodworking industries to enhance the use of wood*, Mr. Anders Baudin (Sweden) and Mr. Kari Kangas (UNFF) on *Outlook for long-term supply of and demand for forest products on the European Forest Sector Outlook Studies*, Mr. Bernard De Galembert (CEPI) on *Wood supply for the growing European pulp and paper industry* and Mr. Chris Van Riet (CEI-Bois) on *Impacts of the EU energy policy on the woodworking industries – the sound use of wood from an industries perspective*.

12. At the Session II the following papers were presented: Mr. Johann Georg Dengg (Germany) on *Wood promotion in Germany - a joint initiative of forestry and wood based industry since 1990*, Mr. Ingwald Gschwandtl (Austria) on *Governments' role in wood promotion*, Mrs. Constanta Istratescu and Mr. Dan Dumitru Copacean (Romania) on *Policy for wood consumption in Romania*, Mr. Hans Jansen (UNECE) on *Project "Capacity Building to Improve Trade Finance and Investment Prospects for the Russian Timber Sector"*, Ms. Aila Janatuinen (Finland) on *Promoting wood construction in the EU*, and Mr. Shaun Killerby (New Zealand) on *Promotion of wood and forest products in New Zealand*.

13. At the Session III the following papers were presented: Mr. Reinhold Erlbeck (Germany) on *Bavaria pushes for biomass use*, Mr. Zoltan Rakonczay (WWF) on *Managing forests for adaptation to climate change*, Mr. Viorel Blujdea (Romania) on *Afforestation of bad lands financed through Joint Implementation Projects*, Mr. Anders Baudin (Sweden) on *Modeling and forecasting the demand for sawnwood in western Europe from an end-use perspective*, and Mr. David Bills (United Kingdom) on *The United Kingdom wood for good programme*.

14. At the Session IV the following papers were presented: Messrs. Leonard Padureanu, Florian Borlea, Sabin Bratu and Ionut Gondos (Romania) on *The wood market in central and eastern Europe*, Mr. Gourguen Goukassian (the Russian Federation) on *Improvement of the organization of forest use in Russia*, Messrs. Gheorghe Dumitriu, Gheorghe Parnuta, Iovu Biris and Florian Borlea (Romania) on *The sound use of wood and other forest resources in Romania*, and Mr. George Dinicu (WWF) *Romanian and Bulgarian responsible timber trade - opportunity for the region*.

15. At the Session V the following papers were presented: Mr. Jaroslav Tymrak (PEFC Council) on *PEFC Council international perspectives*, Mr. Dirk Teegelbekkers (PEFC Germany) on *Forest certification - experiences with PEFC in Germany*, Ms. Gemma Boetekees (FSC) on *FSC certification as a tool for socially and environmentally responsible trade*, Mr. Ioan Abrudan (Romania) on *Forest certification in Romania and the market perspective*, Ms. Laura Bouriaud (Romania) and Mr. Anssi Niskanen (EFI) on *Illegal logging in the context of the sound use of wood*, Mr. Serguei Kouzmine (UNECE) on *Sound use of wood: new markets or new obstacles to trade?*, Ms. Margaret Rainey (WWF) on *Sourcing timber from sustainably managed sources*, and Mr. Liviu Amariei (FSC) on *FSC certification and strengthening legal compliance in the forest products trade*.

Technical visit

16. The technical visit on *Sustainable management of forests and wood industry in Romania* organized in the context of the Seminar took place on Monday, 24 March 2003. The following places were visited:

- Sinaia - Presentation of standing crops managed using selective cuts; discussion with the Sinaia Forest District specialists (Prahova County Branch); visit to the royal „PELES” Castle;
- Ghimbav - Visit to the S.C. „MTI” srl wood processing factory.

Conclusions and recommendations

17. The participants at the Seminar warmly thanked the Romanian authorities for organizing the Seminar and for the efficient arrangements and warm hospitality during the Seminar.

18. They approved the following conclusions and recommendations concerning strategies for the sound use of wood, for consideration by the Timber Committee and the European Forestry Commission as well as other bodies, on the basis of discussion in working groups. The outcomes from the working groups' discussions are annexed to this report. The working groups were as follows:

- i. What is sound use of wood? (Chair: Mr. David Bills, Rapporteur: Ms. Stefanie Linser)
- ii. How to stimulate sound use of wood? (Chair: Mr. Gerard Buttoud, Rapporteur: Mr. Johann Georg Dengg)
- iii. New markets and consumption patterns (Chair: Mr. Sten Nilsson, Rapporteurs: Mr. Anders Baudin and Mr. Jeremy Wall)
- iv. Strategies for sound use of wood in central and eastern Europe (Chair: Mr. Leonard Padureanu, Rapporteur: Mr. Nico Leek)

- v. Trade and environment (Chair: Ms. Margaret Rainey, Rapporteur: Mr. Serguei Kouzmine)

Conclusions

19. The objective of governments, forest based industry and the forest sector as a whole should be greater, better and appropriate use of wood from sustainably managed forests in technically and economically competitive and environmentally appropriate products and systems, of high quality. These should build on wood's heterogeneity and advantages, while recognising its limitations, so as to influence and fulfil market needs.

20. Wood from sustainably managed forests is an environmentally friendly **raw material**, with many technical and economic advantages to the consumer. It is renewable and frequently reusable and/or recyclable, and it is finally a source of energy. It is non-polluting when growing in the forest, and less energy and resource intensive in processing and use than many of its competitors. It has low carbon intensity compared to competing materials.

21. The forest and timber sector plays an important role for **employment and rural development**. Forests, public and private, provide the multiple benefits which society rightly expects from forests, including conservation of biological diversity, protection against erosion and other natural hazards, facilities for recreation, landscape beauty, cultural sites and many more.

22. Bad **governance** of the forest sector, including illegal logging, corruption and trade in products resulting from these actions, is harmful to the forest ecosystem, to government authority and revenue, and to those who abide by the law, who are put at a competitive disadvantage. Bad forest governance, including illegal logging, exists all over the world, including in Europe, although its extent and causes are not well known or understood. Governments are beginning to coordinate their action against bad forest governance. Publicity of such issues contributes to a lack of confidence by the public in wood as a sustainable material.

23. Sustainable forest management is a prerequisite for sound use of wood, and sound use of wood contributes to sustainable forest management; therefore the two concepts should be treated together in policy formulation.

24. However, the fact that wood is procured from sustainable forest management, has environmentally compatible properties and provides diverse social and environmental benefits, does not guarantee its **competitiveness** in the market place. There, wood and its derivatives have to compete on technical performance, service, price and image with products made from other, often less environmentally compatible, materials.

25. Furthermore, wood is suffering from **substitution** by other materials in many markets; globalisation permits fierce competition sometimes based on unsustainable, illegal and/or poorly costed practices which keep the prices of legitimate and sustainably procured wood and forest products down. This undermines legitimate business, threatening its competitiveness and as a consequence the economic viability of forest management in some parts of Europe through reduced residual revenue for timber. In some cases, as a result, the forest owner receives little direct compensation for the non-market benefits he/she is expected to provide to society. Often, the many non-market benefits of forests and wood are not valued, nor are the costs of producing them identified and specifically compensated by users or society as a whole. For many materials which compete with wood, the non-market benefits are relatively less important, and the non-market costs e.g. of pollution are not always borne by the producer: this tends to further distort the competition against forest products.

26. At present not enough is known about the volume of wood consumed in each end-use sector and whether it is gaining or losing market share, and why. Considerable information is available on **Life Cycle Analysis (LCA)**, although more is needed: above all, the information collected needs to be made available in an attractive and relevant format to policy makers and opinion formers. However, so far, LCA does not include the value of forests. These information gaps hinder properly based policy formulation on this topic, and should be remedied.

27. The competitive position of wood and other dimensions of sustainable forest management are also strongly influenced, often unintentionally, by **policies for other sectors**, including energy, trade, environment and rural development. These inter-sectorial linkages are compounded by international ones. For example, forest products are traded on **global markets**, so use of wood in one country may influence forest management in another.

28. Global **climate change** is recognised as a major threat to the long-term health and stability of forests, inherently compromising the sustainability of the resource base of the timber sector.

29. More reflection is needed to define and describe sound use of wood.

Recommendations

30. To the **UNECE Timber Committee** and the **FAO European Forestry Commission**:

1. Develop further activities on the sound use of wood, based on the recommendations of the Seminar's working groups.
2. Monitor and analyse issues connected with forest law enforcement and governance, e.g. estimating, with the help of partners, the volumes of illegally logged wood in the ECE region, and the reasons underlying this phenomenon.
3. Continue to provide independent and reliable information and analysis on issues relevant to sound use of wood e.g. market trends, certification, long-term outlook, forest resource assessment etc.
4. Develop, in cooperation with the MCPFE and other stakeholders, an indicator set for the sound use of wood.
5. Continue to work to improve knowledge and understanding of the end-uses of forest products, and the factors underlying substitution, by collecting and distributing information on the sound use of wood in the region, and monitoring on a continuing basis the performance of stakeholders in this respect.
6. Stimulate better understanding of consumer perceptions and attitudes and continue to share experience on communication and wood promotion through, *inter alia*, the Forest Communicators Network.
7. Together with the UNECE Working Party on Technical Harmonization and Standardization Policies, and in conjunction with the EUW/CEI-Bois study, determine whether there are obstacles to the sound use of wood arising from differences between construction standards and regulations in Europe, and develop recommendations in this regard to appropriate bodies, notably government at all levels, industry and international standardisation bodies.
8. Develop further activities on the sound use of wood, based on the recommendations of the Seminar's working groups.
9. Consider with other stakeholders how end-use demand can be best matched with the volume, quality and location of the resource.

31. To the **Ministerial Conference on the Protection of Forests in Europe**:

1. Include the topic of sound use of wood in the work programme on the follow-up of the Fourth Ministerial Conference on the Protection of Forests in Europe.
2. Continue to attach importance to stimulating better information and increased transparency on forest sector issues.

32. To Governments and EU institutions :

1. Develop a policy and legislative framework to support and promote the sound use of wood as an integral part of the sustainable development of the forestry sector.
2. Where appropriate, identify and implement new financial mechanisms to support these actions. This is particularly necessary in those countries where the “wood culture” is weak, as in many central and eastern European countries at present.
3. The EU should assist the accession countries and other countries to support the development and promotion of the sound use of wood.
4. Stimulate and facilitate the creation of multi-stakeholder partnerships to promote the sound use of wood.
5. Develop wood procurement policies which encourage the sustainable management of forests in their own country and elsewhere, without creating barriers to trade. Of special note is the role of bilateral trade agreements. Governments should exchange experience on this issue.
6. Provide information on, and promote the use of, environmentally friendly consumer products, energy supplies, and building construction products and systems derived from forest resources.
7. Encourage research on the sound and innovative use of wood, including life cycle inventory and analysis (LCI/LCA), and take this information into account when formulating policy.
8. Take an inter-sectoral approach to the forest sector, notably by drawing up national forest programmes, applying, as far as possible, the MCPFE Approach to National Forest Programmes in Europe, and take into account developments in other sectors and their possible consequences for forest sector policies. In particular the interactions between energy policies and the forest sector need analysis (e.g. at the special topic of the 2003 UNECE Timber Committee session).
9. Provide information on wood availability and quality which recognises the true supply dynamics of the private sector, taking account of consumption by forest owners and the ability of owners to mobilise wood supplies.
10. Improve infrastructure for better accessibility to wood and fibre resources, without compromising biodiversity interests, and the efficient processing and distribution of wood and wood products.
11. Act strongly to maintain or achieve good forest governance in their country, prevent or reduce illegal logging, and participate in relevant international efforts, as bad forest governance harms sustainable forest management, and society as whole.
12. Implement policies and measures aiming to enhance the resistance and resilience of forests to climate change.
13. Improve education, training and research for the wood supply, processing and distribution chain, working together with industry and other partners.

14. Consider with other stakeholders how end-use demand can be best matched with the volume, quality and location of the resource.
 15. Promote client orientation of forest owners.
 16. Work with partners to minimise threats to sustainable forest management resulting from the restitution process.
33. To **forest-based industries**:
1. Meet identified and analysed market needs by producing and marketing products based on wood from sustainably managed forests.
 2. In particular ensure that wood is used in construction in a sound way, as failures in this respect damage long term prospects and confidence in the industries.
 3. Work jointly with other stakeholders, including retailers and distributors, to improve communication and promote the sound use of wood, and improve awareness of the environmental and utility benefits of the sound use of wood and wood products.
 4. Invest in research and development to produce innovative, attractive, client-oriented products, at competitive prices.
 5. Continue to develop a sense of social responsibility ensuring that customers have confidence in their purchases, in terms of legality, quality, sustainability and suitability for their purpose.
34. To **other stakeholders** (including NGOs and forest owners):
1. Participate fully in efforts to create partnerships to promote the sound use of wood and wood products.
 2. Participate fully at all levels in efforts to mitigate global climate change.
 3. Forest owners should share information and know how and coordinate marketing through membership in associations.
 4. Forest owner associations should be set up or strengthened in those countries where they are weak or non-existent, provided there is a perceived need.
 5. There is a need for education in private or community forestry to promote good practice, especially in those countries where there are large numbers of new owners, because of the restitution process.
 6. Work with partners to minimise threats to sustainable forest management resulting from the restitution process.

Adoption of the report

35. The present report was discussed in draft form at the seminar and finalized by correspondence afterwards.

ANNEX

OUTCOMES FROM THE WORKING GROUPS' DISCUSSIONS

Working Group I: What is sound use of wood?

(Chair - Mr. David Bills, rapporteur - Ms. Stefanie Linser)

Findings

How much wood is available from sustainable (multifunctional) managed forest?

- The problem is to reconsider the issue between standing volume and annual increment and what is really available and for what use.
 - Infrastructure for forest access
 - Tenure patterns with absentees and uninterested owners
 - Restitution creates special problems for some countries
 - Costs and prices

The LCA Role

- LCA solves the problem of material, energy, and emission budget.
- LCA does not include the value of forests types
 - It does not tackle the problem of cost/benefits or changes in structure and/or type of forest;
 - However in the absence of this information, adherence to the principles of sustainable and sound forest management should largely overcome this problem.
- The outcome of LCA is not well understood by opinion leaders, specifiers and decision makers who influence wood based policies and trends.

Hierarchy of uses

We agree with these principles:

- Species and log and timber qualities should be matched in an optimum way with end uses;
- Forest owners or forest growers should have access to wide range of competitive markets;
- Priority should be given to optimising the carbon cycle of wood after one or several product cycles by finally burning for energy in substitute for fossil fuels.

Government policies related to energy and landfill are endangering or distorting fair market conditions and diverting the forest sector from achieving these principles.

Optimising processing benefits

All sectors of the wood using industry can benefit from integration. This does not mean that it need be under the one ownership structure, but there are benefits in industry, sharing, *inter alia*, infrastructure, energy, processing residues and technical know-how.

Sound use of wood in construction

The consumer's acceptance of wood is dependent upon good design, good engineering, good detailing of quality products and construction at competitive prices taking into account full life costing. (Too often the industry has let itself down by shoddy products, execution and design, damaging its long term market prospects).

Recommendations

Governments should:

- Investigate, understand and seek to avoid potential adverse consequences of environmental and market policies as well as building policies.
- Provide information on wood availability and quality which recognises the true supply dynamics of the private sector.
- Provide information and promote the use of environmentally friendly consumer products and building construction.
- Improve infrastructure for better accessibility to wood and fibre resources and the efficient processing and distribution of wood and wood products.
- Develop wood procurement policies which encourage SFM in the producing country.
- Encourage research on sound and innovative use of wood.

Forest industry should:

- Continue to develop a sense of social responsibility ensuring the customers' confidence in their purchases in terms of:
 - legality,
 - sustainability,
 - quality and fit for purpose.
- Form partnerships to promote the sound use of wood.
- Provide product information on the environmental and utility benefits of the sound use of wood and wood products.
- Encourage research to support the sound and innovative use of wood.
- Work with governments to improve the education and training for wood supply, processing and distribution chain.

Forestry industry should:

- Together with governments, retailers, and distributors take measures to raise the consumers' awareness of the environmental and utility benefits of the sound use of wood.

Forest owners should:

- Be organised in associations (to share, *inter alia*, information, know-how, equipment and to coordinate their marketing).

Working Group II: How to stimulate sound use of wood?

(Chair - Mr. Gerard Buttoud, rapporteur - Mr. Johann Georg Dengg)

How to stimulate the sound use of wood?

- Wood promotion in Germany since 1990
- Government roles in wood promotion
- Policy for wood consumption in Romania
- Realizing market possibilities in Norway
- Project “capacity building” in Russia
- Promoting wood construction in the EU
- Wood promotion in New Zealand

Basic needs

- Secure raw material basis by SFM (e.g. important for promotion of environmental arguments) - *may be linked with certification.*
- Build up logistic and infrastructure (CEEC).
- Set up effective forestry structures and wood processing industry (CEEC).

Specific preconditions

- Partnership of stakeholders (e.g. coalitions with NGOs on certain wood products),
- Eliminate barriers to wood utilization,
- Innovative wood products,
- Knowledge of markets and consumer wishes,
- Consumer information, education and training,
- High quality standards of products.

Recommendations	Stakeholders
<ul style="list-style-type: none"> • Include the topic in sustainable development strategies (e.g. national forest programmes) • Set up wood promotion organizations (e.g. market surveys, consumer information) • Strengthen national and international cooperation in wood promotion work • Eliminate barriers to wood utilization (e.g. legislation) • Research & Development to create innovative products • High quality products, design • Standardization of products • Consumer information • Education and training • Support by a coalition of NGOs on promoting certain wood products 	<ul style="list-style-type: none"> • Governments • Industry (with government support) • Industry, NGOs, governments • Governments • Governments, industry • Industry • Industry • Industry • Governments • NGOs, Industry

Working Group III: New markets and consumption patterns

(Chair - Mr. Sten Nilsson, rapporteurs - Mr. Anders Baudin and Mr. Jeremy Wall)

Based on discussions stimulated by a background note, the group decided the following points:

Desired end-point: greater, better and appropriate use of wood as a material and in economically and environmentally competitive quality products and systems. These should capitalize on wood's heterogeneity and advantages, whilst recognizing its limitations, so as to influence and fulfil market needs.

Framework conditions:

The following describes the framework driving the recommendations below:

1. Wood and other forest products need to be derived from healthily functioning forest ecosystems which provide raw materials to the market and social benefits. Currently, the market does not internalise either the environmentally compatible properties of wood or the less compatible properties of competing materials and products based on non-renewable resources.

Accordingly, any difference between the residual (market) price of wood from the forest and the full costs of sustainable forest management (SFM) should be met by society in recognition of the non-market functions which forests fulfil and the non-market benefits they provide. In this context, particular account should be taken of the limitations and needs of remote rural areas.

2. However, wood being procured from SFM and having environmentally compatible properties does not guarantee its competitiveness in the market. To this end, adequate supplies of wood and other forest produce must be legally available to the market from sustainably managed forest resources, in as unrestricted a manner as possible, whilst respecting environmental and social conditions.

In this context, improper practices (including e.g. so-called "illegal logging", etc.), which undermine the legitimate market, should be addressed through other appropriate fora. Similarly, certification can be addressed elsewhere.

Recommendations for action: within the market context:

1. Through increased R&D and innovation with targeted objectives, the development of products, processes and systems (including biofuels) which meet well analysed market needs in a competitive way. The market needs identified should not only take into account social and life-style trends, but also technological, environmental, economic and political realities. In this context, the inter-actions of these issues and their resultant effects on the forestry sector should be analysed and accommodated.

To this end, in-depth analysis of end-use substitution between different wood-based products and between wood-based products and those based on other materials or in combination should be carried out as a priority, so that research, marketing and promotion activities can be better focused. Research should also be carried out on the perceptions and attitudes of consumers and other interest groups in order to identify the strengths and weaknesses of wood produce.

2. At the same time consciousness of the possibilities offered by wood as a material and cultural medium ("wood culture") should be developed by both industry and government acting in concert with specific target groups:

- policy-makers,
- planners, architects, designers,

- specifiers,
 - end-consumers,
 - general public,
 - etc.
3. A consistent policy framework should be developed in an inter-sectoral context to support the development and use of competitive wood-based products in such a way as to optimise their technical and price performance in the market as well as their environmental and cultural advantages.
 4. Institutional arrangements are needed to link industries (not only forest-based) and government as well as appropriate representatives of academia, international organisations and NGOs, with a clear allocation of responsibilities, in order to produce policy and actions. Collaborative action is needed to build up both understanding and competence in the market and to innovate products and systems.
 5. Identification and implementation of new financial mechanisms is needed to support the above actions. These could include diverse concepts (e.g. the German “Holzabsatzfonds” system).
 6. Relevant professional education and vocational programmes need to be devised and implemented, taking account of national and regional differences as well as cultural traditions.
 7. Promotional activities are needed to complement the above actions, being most efficient only once these other actions are in place.

Work Group IV: Strategies for the sound use of wood in central and eastern Europe

(Chair - Mr. Leonard Padureanu, rapporteur - Mr. Nico Leek)

1. Promotion of the sound use of wood

There is a need for promotion of wood products in the CEE countries. It should be focused on the use of wood in private and public conditions.

The conditions have to be related to the standard of living.

The governments of CEE countries should have an initiative role by stimulating the use of wood in public buildings. Also, the governments must support the costs of the promotion campaign in order to stimulate the use of wood on domestic markets.

2. Certification of the forests and forest products

It is an important instrument for stimulating export from the CEE countries to West European markets.

Before certification of small sized forest owners can take place, there is a need for good legislation and effective enforcement.

The CEE countries that are candidates to the EU enlargement must be prepared for that by starting the certification process.

The exporting wood working industry should stimulate the certification of their own sources.

3. Small sized private forest owners

There is a need for education in private and community forestry to introduce good practice.

The CEE countries could learn from experiences in this field in Latvia.

A sustainable forest management for the small sized owners could be achieved by constructing associations.

The wood working industry could stimulate and improve management by asking management plans and other documents according to legislation when buying the wood.

4. Market development

For general development for forestry and wood working industry, CEE countries should concentrate on the domestic markets.

Foreign investments will stimulate technological developments in the domestic industry.

Timber prices should be available from the UNECE.

Working Group V: Environment and Trade

(Chair - Ms. Margaret Rainey, rapporteur - Mr. Serguei Kouzmine)

1. General recommendations

To promote environmental awareness, including sustainable forestry, within the trade and towards the general public.

To use a multi-stakeholder approach in achieving sustainability. On the forest sector level, there is a need to mobilise wide support and create a common platform that includes major players such as forest owners, processing industry, traders, NGOs, end users and consumers.

2. Recommendations to the UNECE

That the UNECE Timber Committee and the FAO European Forestry Commission continue to organise fora to discuss policies and strategies for the sound use of wood and other forest products.

Potential subjects for future meetings:

- To analyse best practices in the promotion of wood.
- To examine the environmental aspects of the entire chain of wood product manufacturing including forestry techniques, production processes, transport, processing and sales.
- Step-wise approaches to adapting to sustainable forestry standards.
- The role and contribution of certification schemes to sustainability.
- Can sustainable forestry be assured without creating unnecessary obstacles to trade?
- Build consensus on key concepts within sustainability issues (sustainable forestry, sound wood, environmentally friendly products etc.).

3. Recommendations to Governments

To support companies with environmentally adapted policies and products, including within the forest sector, for example through public procurement policies.

To take responsibility and act strongly to achieve legal compliance in the forest sector and to assess tools which could be used for fighting against illegal logging and trade. One such means might be bilateral agreements between governments to jointly address illegal logging. The implementation of the Memorandum of Understanding between Indonesia and the United Kingdom could provide important experience in this area.

To take all factors including Life Cycle Inventory (LCI) into the evaluation of all available materials with a view to provide equal opportunities for renewable and environmental adapted materials like wood. There was concern about the fact that in the EU Ecolabel there is discrimination against wood (due to sustainability requirements for wood and not for materials that compete with wood).

To promote sustainable forestry in their general sustainable development policies.

To provide transition and developing countries with wood sector market information and links with policy issues relating to the sound use of wood.

To encourage the European Commission that it provide the necessary support to research on sound wood production and use, in particular in transition and developing countries.

4. Recommendations to the Ministerial Conference

That its future activities include:

- Examining legal compliance in forestry and trade (including issue of illegal logging);
- The sound use of wood;
- Sustainable trade with transition and developing countries;
- Promotion of environmental awareness and sustainable forestry principles in general, including transition and developing countries;
- Development of a strategy for data collection on a national level on sustainability issues within the forest sector;
- Build consensus on key concepts within sustainability issues (sustainable forestry, sound wood, environmentally friendly products etc.).

5. Recommendations to research institutions

To study sustainable forestry issues in developing and transition countries.

To share results of studies with wood traders and adapt results to particular clients (builders etc.).

6. Recommendations to NGOs

To continue discussions involving all stakeholder to build consensus on key concepts within sustainability issues (sustainable forestry, sound wood, environmentally friendly products etc.).

Inform the general public on sustainability, in particular through awareness campaigns in developing and transition countries.

To look into the matter of promoting and if necessary adapting sustainability requirements to the needs of small forest owners.