



**Economic and Social
Council**

Distr.
GENERAL

TIM/2000/7/Add.2
FO:EFC/00/9/Add.2



**Food and Agriculture
Organization**

11 July 2000

ENGLISH ONLY

ECONOMIC COMMISSION FOR EUROPE

FOOD AND AGRICULTURE ORGANIZATION

TIMBER COMMITTEE
Fifty-eighth session

EUROPEAN FORESTRY COMMISSION
Thirtieth session

JOINT SESSION

FAO Headquarters, Rome
9-13 October 2000

**REVIEW OF ACTIVITIES IN 1999/2000 AND INTEGRATED PROGRAMME OF WORK FOR
2001 TO 2005**

EUROPEAN FOREST SECTOR OUTLOOK STUDIES (EFSOS)

(Item 10 of the Provisional Agenda)

Secretariat Note

The following EFSOS papers are reproduced in this document:

- EFSOS activities 1999/2000 (annex 1);
- Working program for 2000/2001 (annex 2);
- Report of the core group meeting (annex 3).

The joint session is invited to take this information into account when discussing European Forest Sector Outlook Studies.

ANNEX I

EUROPEAN FOREST SECTOR OUTLOOK STUDIES

Activities 1999/February 2000

This paper gives an overview on the EFSOS activities in 1999 until February 2000 as a base for information of the core group, the national correspondents, the Timber Committee and the European Forestry Commission and their bureaux meetings.

After the completion of the previous European outlook study, European Timber Trends and Prospects: into the 21st century (ETTS V) in 1996 (ECE/TIM/SP/11), a new permanent program of European Forest Sector Outlook Studies was launched in 1999.

In May 1999, the Joint FAO/ECE Working Party on Forest Economics and Statistics asked the secretariat of the Timber Committee to start the work by consulting the Timber Committee, the members of the core team, the bureaux of the Working Party and its parent bodies, as well as others able to contribute.

Discussion at the Joint FAO/ECE Working party on Forest Economics and Statistics, May 1999, extract of report

The Working Party regretted that work on outlook studies had been suspended because of staff shortages since its last session, but welcomed the fact that Mr. Volker Sasse had recently been appointed and that it would be possible to restart work in this high priority area. It was also informed of recent work on outlook studies at the global and regional level, by FAO. It asked the secretariat to start the work by consulting (e. g. by a list server) members of the core team, of the bureaux of the Working Party and its parent bodies, as well as others able to contribute, in order to identify options for objectives, methods, topics, periodicity etc. These ideas should be submitted for comment of the Timber Committee in September 1999: a meeting to discuss the objectives of the future European outlook studies should be held, probably in autumn 1999. The secretariat, in consultation with the core team and the bureaux of the Working Party, the Timber Committee and the European Forestry Commission, should develop and implement plans, without awaiting the formal approval of the Working Party's next session in 2001, which would however review progress on the programme as a whole.

A wide-ranging discussion took place on the outlook studies programme. The points made included:

- FAO had carried out some major outlook work, which provided a global framework for regional work. The latter could be much more detailed and robust than work at the global level, and mobilise the networks of regional expertise, as well as addressing regional, or even sub-regional, issues;
- the Asia Pacific outlook study (APFOS) had shown that regional outlook studies could address a much wider range of issues than supply and demand of wood and forest products; policy makers had welcomed

APFOS' emphasis on policy issues;

- future outlook work should build on experience with ETTS V and its predecessors, but not be afraid to develop new objectives or methods;
- shorter response times and more variable topics, addressing the issues of the day, might be one avenue to explore;
- outlook studies had proved to be one of the most cost effective means of transferring knowledge and experience between countries; for this reason, funding might be available from external sources to support at least part of the work. The secretariat was urged to approach potential sources of funds.

As preparatory steps the secretariat prepared:

- a systematic comparison of developments in the 1990s with the scenarios of ETTS V;
- a survey of actual and potential users of ECE/FAO outlook studies, to ascertain who they are and what their information needs are;
- options on methodological strategies, including ideas about periodicity, policy scenarios, geographic scope and product scope of the next study;
- course of actions for the period 1999/2000.

Drafts on these topics together with the main ideas of the discussion at the Working Party were submitted to the Timber Committee in September 1999, which discussed the secretariat's proposals and indicated its preferences. Some comments arrived later in written form. The Committee asked for increasing contributions from countries and partner organisations, whether in the form of extra-budgetary funds, contributions in kind or division of labour, notably the use of networks of correspondents.

Discussion at the Timber Committee, September 1999, extract of report

The Timber Committee was invited to discuss the options on approach to forthcoming outlook study work (methodology, policy scenarios, geographic scope, product scope, items and periodicity) and to indicate its choices or give other options for further work. It was also informed about proposals for preparatory steps on European outlook studies. The secretariat proposed a course of action for the next year.

The Committee asked the secretariat to start the work according to the proposed course of action. Therefore, the secretariat should consult members of the core team, of the bureaux of the Statistics Working Party and its parent bodies, as well as others able to contribute. Doing so, the secretariat should identify the main approach options and should work out an outlook programme for the next years. In order to discuss the objectives of the future European outlook studies, a meeting of the core group should be held, probably in early 2000.

The secretariat, in consultation with the core team and the bureaux of the Timber Committee and the European Forestry Commission, should develop and implement a work programme, without awaiting the formal approval of the joint TC/EFC session in 2000. The secretariat should report about the outlook study process to this session.

During the discussion the following points were made:

- outlook studies should consider the dynamic in development of policy processes in forest sector. Therefore, a policy-oriented approach should be used;
- outlook work should build on a well-settled methodological approach, considering the specific aspects of different countries;
- the outlook study process should not only include the question of timber supply, wood production and trade, but also the whole range of social and environmental aspects of the further development of the forest sector;
- the further outlook study process should proceed from the demand in forest products and balance it to the timber supply;
- the core group should include not only forest and timber market specialists, but also scientists, who could be able to make useful methodological proposals;
- the Russian Federation and other countries in transition should be included in the geographic scope.

The secretariat should take these and other points received later into consideration for further work. The Committee asked delegates to ensure that replies to the user survey reached the secretariat before end November, so that they could be taken into account in the planning process.

The Committee proposed to review and to discuss progress on outlook studies and the direction of future work at the joint session of the Timber Committee and the European Forestry Commission (EFC) in October 2000. The secretariat of the Timber Committee collected, compiled and analysed comments from the Timber Committee, the EFC and the Joint Working party. The secretariat also reconstituted a core team, based on the members of the core team of ETTS V and on proposals from the Timber Committee. It convened a first meeting for March 2000.

With regard to membership of the core team, the aim was to organise an interdisciplinary team of scientists, policy makers and entrepreneurs. The secretariat invited specialists on the basis of recent contacts of the Timber Section. It has informed the Timber Committee members, national timber industry associations, relevant IUFRO Division co-ordinators and relevant NGO's about this process.

ANNEX II

EUROPEAN FOREST SECTOR OUTLOOK STUDIES
Working Programme 2000/2001

Based on the results of a meeting of the core group in March 2000 this paper represents a leading document for the Timber Section (TS), the core group (CG), the team of national correspondents (NC) and others involved, giving an overview about the planned EFSOS activities in 2000/2001. It will be presented to the Timber Committee and European Forestry Commission bureaux meeting in early May and to the joint meeting of the Timber Committee and the European Forestry Commission in October 2000 for review and comments.

1. Working tasks in the frame of EFSOS

1.1 Ex-post analysis of the Forest Sector

The goal of the ex-post analysis is to define structural changes in the forest and forest products sector and to identify driving forces behind them. The aim of this analysis is to describe and, if possible, to quantify the impact from policy decisions, market behaviour and exogenous factors on the evolution of forest resources and the developments of timber production and trade in the past. The results of this analysis will be a base for elaboration of complementary scenarios.

What?	When finished?	By whom?
Ex-post analysis of the evolution of forest resources and driving forces behind them (draft)	November 2000	TS
Ex-post analysis of driving forces for structural changes in timber production and trade (draft)	November 2000	TS
Discussion of drafts in a meeting of NC, negotiation of contributions from them	November 2000	TS/NC
Final discussion of drafts in the CG	April 2001	TS/CG
Publication of reports	June 2001	TS

1.2 Baseline study (ETTS VI)

The first and main step into EFSOS activities will be the elaboration of a new baseline report under the title "European Timber Trend and Prospects" (ETTS VI), based on the objectives, approaches and subjects of the last outlook study reports (ETTS V). As in the past this study will give a general overview about the future development of forest resources as well as production, trade and consumption of forest products in Europe. A comparison of ETTS V projections with the real development will be used for an evaluation of the former approach. The aim is to produce this baseline study by 2002.

What?	When finished?	By whom?
Outline of the report (draft) And its final discussion by CG	September 2000 December 2000	TS CG
Report on comparison of the ETTS V results with the real developments as parts of the baseline study report	September 2000	TS
Report on the results of a user survey as a part of the baseline study report	August 2000	TS
Forest resources: Using an age class model (adjust EFISCEN model to TBFRA data)		
– Approach	October 2000	CG (Nabuurs)
– Presentation of the approach for NC, asking for contributions	November 2000	CG (Nabuurs)/NC
– First model results (draft)	March 2001	Nabuurs
– Discussion in the CG	April 2001	TS/CG
– Follow up steps as decide by CG		
Timber production and trade: Using the ETTS V approach with improvements		CG (Baudin)
– Update of price series	September 2000	TS
– Update of conversion factors	October 2000	TS
– Cluster analysis for countries in transition (first draft)	October 2000	CG (Ollmann)
– Presentation of the approach for NC, asking for contributions	November 2000	CG (Baudin)/NC
– First model results (draft)	March 2001	CG (Baudin)
– Discussion in the CG	April 2001	TS/CG
– Follow up steps as decide by CG		

1.3 Complementary studies

Specific policy oriented studies will be carried out in order to describe alternative scenarios and supplement the baseline study reports focussing on changes in policies and market trends and their influence on the development of the forest sector. The results of these complementary studies have to be comparable to the results of the baseline study.

In 2000/2001 will be developed only the first steps.

What?	When finished?	By whom?
Identification and elaboration of scenarios to be analysed (draft)	September 2000	TS
Researching the possibilities of GFPM for the EFSOS purposes.	October 2000	TS (Sasse)/ CG (Whiteman, Stolp)
Discussion and decision about complementary study program	December 2000	CG

1.4 Information network

This task will start from an analysis of literature and web sources with the goal to find studies, with objectives

and approaches comparable to EFSOS. This analysis will identify elsewhere-published data or methodological approaches useable for EFSOS activities. At the same time such an analysis will define some tools (policy studies, reports, quantitative scenario analyses etc.), which should be a part of EFSOS, but which are covered already by other organisations, consultants and researchers. In this cases EFSOS will refer to these tools.

EFSOS activities will be organised in a frame of various bodies in a close co-operation of specialists, representing national governments, intergovernmental organisations, NGO's and the private industry.

The most operative body is the core group (10-20 scientists, policy makers and entrepreneurs) to the secretariat on work directions, methodology, review of preliminary results, etc. A team of national correspondents, officially nominated by countries, will be organised to provide national data, comment on outputs, scenarios, etc. National correspondents are the official direct partners of the Timber Committee member countries for the Timber Section.

What?	When finished?	By whom?
Analyses of existing work (search for literature and web sources) and sharing of experience	permanent	TS, CG, NC
Development of co-operation with partner organisations	Permanent	TS, CG, NC
Information for the Timber Committee (TC) and European Forestry Commission (EFC) Bureaux about EFSOS activities	April 2000	TS
Establishing a network of NC nominated by the Timber Committee member countries	June 2000	TS
Review of decisions and progress of EFSOS at joint session of the Timber Committee and the EFC in October 2000	October 2000	TS
<ul style="list-style-type: none"> - First meeting of NC Ex-post analysis (drafts) Baseline study approach and improvements 	November 2000	TS TS/CG
Core group meeting about: <ul style="list-style-type: none"> - Baseline study (outline, drafts) - Complementary study description - 	December 2000	TS/CG TS/CG
Next core group meeting: <ul style="list-style-type: none"> - Ex-post analysis (final discussion) - Baseline study (drafts, next steps) - Report of activities 2000/2001 - Working programme for 2001/2002 	April 2001	TS TS/CG (Nabuurs, Baudin) TS TS

1.5 Public relation activities

There will be various public relation activities organised in the frame of EFSOS, such as meetings, press releases and web sites, including activities in the frame of EFSOS, current studies, background information, history of ETTS, timber outlook information network, guestbook etc.

What?	When finished?	By whom?
Elaboration of an EFSOS web-site	May 2000	TS
Publishing press releases about the ongoing EFSOS activities.	Permanent	TS

1.6 Requirements and Funding

The available resources can be significantly increased by contributions from the core group, country governments, partner organisations, NGOs, associations of the private timber industry, whether in the form of extra-budgetary funds, contributions in kind or division of labour. The Timber Section will co-ordinate fund raising activities and use the existing trust fund for the EFSOS.

What?	When finished?	By whom?
Establish a list of areas where contributions are necessary and welcome	April 2000	TS
Request of additional resources (by governments, private associations)	June 2000	TS/CG
Organising support by NC And CG members	November 2000 December 2000	TS/NC TS/CG

2. Scheduler

Planned Activities	2000										2001			
	3	4	5	6	7	8	9	10	11	12	1	2	3	4
Preparatory steps														
Ex-post Analysis of the Forest Sector														
Baseline study (ETTS VI)														
Information Network / Meetings	CG	T/F b			IC		T/F		NC	CG			CG	T/F b
Public Relation Activities														
Complementary Studies														
Requirements and Funding														

NC - meeting of the national correspondents

CG - meeting of the core group

T/F - report to the Timber Committee/Forestry Commission

T/F b - report to the Timber Committee and Forestry Commission bureaux

IC - specific consultations



- permanent subtasks of EFSOS



- non-permanent subtasks of EFSOS

ANNEX III

EUROPEAN FOREST SECTOR OUTLOOK STUDIES

Report of the core group meeting:

20-23 March 2000, Geneva

Background:

After the completion of the previous European outlook study in 1996, a new European forest sector outlook study (ETTS VI) was launched in 1999. In May 1999, the Joint FAO/ECE Working Party on Forest Economics and Statistics asked the secretariat to start the work by consulting the Timber Committee, the members of the core team, the bureaux of the Working Party and its parent bodies, as well as others able to contribute.

The Timber Committee in September 1999 discussed options proposed by the secretariat and indicated its preferences. The secretariat collected, compiled and analysed comments from the Timber Committee, the European Forestry Commission and the Joint Working Party. It also reconstituted a core group of specialists, based on the members of the core team of ETTS V and on proposals from the Timber Committee. The first meeting of the core group took place from 20-23 March 2000.

Objectives:

The aim of the meeting was to agree on activities in the framework of the programme of outlook studies. 23 specialists participated from the European forestry and forest products sector, representing governments, research organisations and private forest products industry.

Presentations:

The meeting started with an overview of the history of the ETTS process and the methodology and results of the last study (ETTS V) given by Tim Peck, Anders Baudin, Heikki Pajuoja, Kit Prins and Volker Sasse. The Timber Section presented the results of a "Survey of the actual and potential users of European Timber Trend Studies (ETTS) and their expectations". The participants of the meeting discussed the objectives and the strategic methodological approach of the further outlook study process. As a basis for this discussion the representative from the FAO Forestry Division, Adrian Whiteman, presented the quantitative model approaches used by the Forestry Division to prepare scenarios of future developments in the forest products sector. As a base for an ex-post analysis of driving forces of the evaluation of European forest resources Alexander Korotkov presented results of Temperate and Boreal Forest Resource Assessment (TBFRA); Edward Pepke presented some long-term timber market trends. Gert-Jan Nabuurs from the European Forest Institute demonstrated EFISCEN, a quantitative forest resource model. The representative of the German Federal Research Centre for Forestry and Forest Products Hamburg (BFH), Heiner Ollmann, proposed to use a cluster analysis for the cross-section/time series estimation for countries in transition.

Alastair Johnson from the UK Forestry Commission prepared two proposals for the meeting: "Forest multiplier studies" and "Non-market benefits". Nikolai Burdin from the Russian Forest Sector Information Research Centre informed the meeting about the elaboration of a "Strategy of developing the Forest and forest products

sector of the Russian Federation into the 21st century". He invited the participants of the meeting and the Timber Section especially to participate in this work.

Results and agreements:

The meeting proposed to change the title of the outlook activities to "European Forest Sector Outlook Studies" (EFSOS), reflecting the increasing importance of non-market benefits from forestry.

The core group defined the objectives of further EFSOS activities as a analysis of the development of the forest and forest products sector. The future work will be started with the elaboration of a baseline study (European Timber Trends and Prospects), based on the objectives and approach of the last outlook study (ETTS V), improving on the latter depending on the available resources. The baseline study will describe the development of the forest sector in a "business as usual" scenario. This baseline study will be complemented by specific studies, analysing the impact of changes in policy, market innovations and exogenous factors (e.g. climate change).

The core group agreed on ex-post analysis of the forest sector in order to describe the influence of driving forces in the past. Considering the limited resources of the Timber Section the core group defined funding activities as one of the key issues for a successful EFSOS work. The core group proposed to organize the EFSOS activities as a permanent task of the Timber Section.

The core group discussed the EFSOS activities in 1999/2000, the further tasks and a working programme for 2000/2001 based on drafts of the Timber Section. The core group asked the Timber Section to review these documents, considering the results of the discussion and to prepare a final text as a base for the further EFSOS activities. The next core group meeting will be held in December 2000.