

Guidance on Work Area 3: Forest Sector Outlook

1) Update on Process and Plans by secretariat

by Franziska Hirsch, UNECE/FAO Timber Section

2) Approach and methods of new European Forest Sector Outlook Study

by Mart-Jan Schelhaas, Leader ToS Outlook



**Joint Working Party on Forest Economics and Statistics,
Geneva, 24-25 March 2010**



1. Work Area 3: Programme Elements

- Preparing Forest sector outlook studies (European and North American studies in progress, discussion on Russian study with FAO)
- Analysing climate change issues relevant to the forest sector (Lines of activities approved by WP and Timber Committee, Forests & Climate Change webpage)
- Analysing energy-related issues, including demand and supply for wood energy (inherent in outlook study, wood energy, conversion factors)
- Collecting, validating, and disseminating information and analysis of wood availability and potential wood supply (Guidelines on potential wood supply, Guidance on sustainable wood mobilization)



2. EFSOS - Institutional & Country Support

- Reinforced UNECE/FAO Team of Specialists on Forest Sector Outlook: Nominated Team members from 25 countries
- Additional nominations of outlook correspondents, following request by Working Party: Belgium, Bosnia and Herzegovina, Italy, Norway, Portugal, Romania, Slovakia, Switzerland, TFYR Macedonia
- Outlook core group of experts: Development of methods and scenarios with assumptions
- 2nd ToS meeting November 2009: Discussion of approach and methods



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3. EFSOS - Partnerships

- EUwood (Real potential for changes in growth and use of EU forests)
>> Wood energy, availability and supply
- EFORWOOD (sustainability assessment in wood chain)
- Forest Future (Sweden): market projections, bioenergy
- Core Group: European Forest Institute, Alterra, University of Hamburg, Joint Research Centre, ...
- UNECE/FAO secretariat: marketing, resources, trade, conversion factors, statistics...
- Teams of Specialists on Forest Products Markets and Marketing, Sustainable Forest Management
- Other institutions and projects:
 - UNEP >> Biodiversity
 - BioEnergy Europe



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4. EFSOS Outline

1. Centred around **main policy issues and challenges** approved by the Working Party at its last session: Climate change mitigation and adaptation, bioenergy, biodiversity, economic outlook/competitiveness
 2. Scenarios emphasizing **4 policy directions** in addition to baselines:
 - Maximizing carbon
 - Promoting Wood energy
 - Preserving biological diversity
 - Enhancing competitiveness
 3. Linking with criteria & indicators for Sustainable Forest Management: **sustainability assessment**
 4. Analysis and **policy recommendations** in light of scenario results & sustainability assessment
- Presentation of modelling results for scenarios in separate Discussion Papers



5. EFSOS - Timing

- Spring 2010: Assumptions for scenarios
- Summer 2010: First results of projections
- Fall 2010: Updated projections for all scenarios
available for review at extended Team
meeting
- Winter 2010: Final projections
- Winter 2010/11: Analysis
- Spring 2011: First draft study
- Summer 2011: Finalised study after review
- Winter 2011: Printed study



6. Resources

- Most contributions through partnerships
- Some funding has become available for modelling
- **Additional resources** required for:
 - Review and improvements of the quantitative analysis and models used for scenario construction
 - Analysis of modelling results: Funding authors for the study



2. Approach and methods of new European Forest Sector Outlook Study

by Mart-Jan Schelhaas, ToS Leader



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Methods

- Use of best models available to ensure scientific quality
- Link as much as possible to ongoing or completed projects
- Market projections (statistical method and EFI-GTM)
- Forest resource model (EFISCEN)
- Wood resource balance
- Competitiveness analysis



Scenario setup

Global drivers

Policy scenarios

	A1 (increased globalisation)	B2 (regional, environmental)
Baseline	X	X
Biodiversity	(X)	X
Bioenergy	X	X
Carbon sequestration	(X)	X
Innovation	X	(X)



Each scenario will be evaluated for all aspects to show possible synergies or trade-offs

- Sustainability
- Biodiversity
- Climate change mitigation contribution
- Supply of renewable energy
- Climate change adaptation (risk)
- Supply of renewable and competitive forest products



The Working Party is requested to provide its advice on:

- the approach to EFSOS: scenarios and methods
- the approach to the outlook analysis, incl. link with the C&I for SFM, outline
- the continued involvement of Team of Specialists members and outlook correspondents in the review and communication of the national modelling results
- the funding of the outlook analysis to ensure that a comprehensive report can become available in 2011

