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UNECE/FAO Forestry and Timber Section's Activities on Forest Sector Outlook Studies

Note by the secretariat

Summary

This document provides updates on the main activities in Work Area 3 (WA3), Forest Sector Outlook Studies. It highlights the topics and issues to be addressed by Working Party, in particular the outcomes of the European Forest Sector Outlook Study 2. The Working Party meeting will include an update on the North American Forest Sector Outlook Study as well as an introduction to a proposed Russian Forest Sector Outlook Study. The Working Party is invited to offer guidance on how current and future activities in Work Area 3 might be developed.

The programme of work for WA3 comprises Forest Sector Outlook Studies, Analysing climate change issues relevant to the forest sector, Analysing energy-related issues, including demand and supply for wood energy, information and analysis of wood availability and potential wood supply.

I. Outlook Studies: Progress since the last session of the Working Party

a. Europe

1. For a detailed overview of the approach and the methods employed in EFSOS, please refer to the separate background document issued for the Working Party meeting in February 2010[1].

2. This outlook study includes a number of innovations distinct from the first outlook study issued in 2005.

3. It addresses key policy issues related to climate change, energy, biodiversity and industrial competitiveness, based on a combination of methods. Four policy scenarios centered around these issues have been designed, in addition to two baseline scenarios as described by the International Panel on Climate Change (IPCC reference futures A1 and B2). This places Europe in a global context. Another innovation of the study is the attempt to refer to all aspects of sustainable forest management, through a sustainability analysis, using, to the extent feasible, the criteria and indicators for SFM and building on synergies with the "State of Europe's Forests 2011" report.

4. A combination of tools has been developed to model each scenario. These encompass the Wood Resource Balance (Prof. U. Mantau and F. Steierer), statistical analysis of historic production and trade (Prof. A. Baudin and Dr. R. Jonsson), analysis of historic and future competitiveness (Prof. M. Dieter and Dr. H. Weimar), a global trade model for forest products (EFI-GTM, Dr. A. Moiseyev) and a forest resource projection model (EFISCEN, Dr. M.J. Schelhaas and Ir. H. Verkerk). The aim of combining these methods is to consider the entire scope of products from the forest and trees outside the forest, encompassing residues, post-consumer recovered wood, and taking account of trade patterns and developments.

5. For the first time, the study has looked specifically at innovation in the forest sector, with the aim of identifying what the forest sector might look like in 2030 if priority were given to supporting innovation in the sector. The study will go on to identify what policy support may be needed to encourage innovation throughout the sector. To help inform the innovation scenario, a brainstorming/discussion was held in Brussels on 18 January 2011. The meeting attracted about 20 key participants drawn from industry, industry associations, research institutes and universities who exchanged information on possible developments or futures for pulp and paper, wood and construction and bio-refining, as well as potential innovations in marketing and organization.

6. The special report of the Outlook Team of Specialists produced for the Working Party meeting[2] summarises the present status of EFSOS II as well as the lessons that have been learned.

7. Members of the Core Group of experts on forest sector outlook have made meaningful progress in linking preexisting models to allow a comprehensive approach to scenarios for the sector a a whole, with significantly more detail on the forest resource, and on recovery and the re-use of wood. The timetable for EFSOS 2 was adjusted to ensure that results are available for the next meeting of the Team of Specialists. Initial results of the scenario models will be reviewed by the Team of Specialists meeting with the outlook correspondents on 25 March 2011. Following their review, the main analysis will start, with the first draft available for internal review by June 2011. The final study with projections up to 2030 will be launched at the joint session of the TC and EFC, 10-14 October 2011 in Antalya, Turkey.

[1] "A new European Forest Sector Outlook Study (EFSOS II): Overall approach, scenarios, methods and outline": http://timber.unece.org/fileadmin/DAM/publications/1_EFSOS_II_Approach_Methodological_Framework_Outline_ToSNov09.pdf

[2] http://timber.unece.org/fileadmin/DAM/meetings/20110321/report-tos-outlook-2011-02.doc

b. North America

8. The North American Forest Sector Outlook Study (NAFSOS) seeks to understand the recent trends and possible futures of the United States and Canadian forest sectors, to 2030. The NAFSOS will be based on the findings of the 2010 Resources Planning Act Assessment (RPA) conducted by the US (with projections to 2060), and also take account the previous shorter US and Canada outlook country reports submitted to the FAO Committee on Forestry.

9. Similar to the current European Forest Sector Outlook Study, the NAFSOS will base the scenarios on IPCC A1B (Fourth Assessment) and B2 (Third Assessment) scenarios. Driving variables in these scenarios include projections of populations, income levels, forest inventories, and woody bioenergy production/consumption. The modelling is conducted with adapted versions of the Global Forest Products Model (Buongiorno et al.), a global spatial equilibrium model with 14 product categories and 180 countries.

10. Forest productivity and forest extent changes for the United States (only) are projected consistent with temperature and precipitation pattern projections produced from downscaled versions of several general circulation model projections to 2060. Annexes to NAFSOS will document the modelling framework of the 2010 RPA, compare and contrast the projection results with those produced by the EFSOS II, and report on separate simulations done for policy analysis. One policy analysis evaluates the impact of the woody bioenergy assumptions of the IPCC Scenarios on the North American forest sector by country, while the feasibility of conducting others is still under consideration. Preliminary projections (without complete annexes) will be available by March 2011, with a final report completed by late 2011. The United States will be cooperating with Canadian colleagues on the review and report writing.

c. The Russian Federation

11. A draft outline for the Russian Federation Forest Sector Outlook Study has been designed and circulated among the provisional partners, including the UNECE/FAO Forestry and Timber Section. It is available for the review and comments by the Working Party in Annex I. The process of developing the study is expected to begin in early 2011

12. The Russian Federation forest sector outlook study should be consistent, compatible and comparable with the other outlook studies undertaken by FAO and UNECE, including the studies in Africa, Asia, Europe, Latin and North America. It is thus foreseen that it will use similar scenarios, approaches, methods, modeling techniques and review the similar range of global, regional and domestic issues.

13. The main scenarios could be based on IPCC approaches if feasible. Modeling of resources could include EFISCEN and products and trade modeling e.g. with EFI-GTM in case feasible. The major issues to be addressed include forest fires, conservation of forest biodiversity and environmental services, climate change impacts on the Russian forest sector, mitigation and adaptation strategies, illegal logging, forest labour, research, training and education. The key issues the study will address as well as their modeling, assessment and analysis will be discussed by the study leadership in consultation with Russian policymakers and leading experts. It is proposed that the study also include a sustainability assessment, on the basis of the criteria and indicators for SFM, considering the State of the World's and Europe’s forests.

14. It is foreseen that an international core group of the authors and an advisory group (including Russian and international experts) will be appointed to conduct the study and insure its independent and impartial character. In addition to numerous international experts, it is planned that several Russian Federation institutions be associated such asVNIPIEIlesprom (National Research and Design Institute for Economics, Production Management and Information in Forest, Pulp and Timber Processing Industries) which can contribute data on forest sector analysis.

15. VNIILM (All-Russian Research Institute on Forestry and Forest Mechanization) can be associated to the work on forest resources scenarios. RAObumprom (Russian Association of Pulp and Paper Organizations and Enterprises) can assess pulp and paper scenarios. In addition to Russian forest sector policy makers and international experts, VIPKLH (Russian Institute of Continuous Education in Forestry) can be associated to the work on forest sector policies applicable to the different scenarios.

The Working Party is requested to provide its advice on:

- ***The work undertaken so far,***
- ***the continued involvement of Team of Specialists members and outlook correspondents in the review and communication of the national modelling results to ensure their national usage and the study's credibility,***
- ***the outline and approach to the proposed Russian Federation Outlook Study,***
- ***the lessons learned during the EFSOS and NAFSOS studies as recorded in the ToS report to the Working Party.***

II. Climate Change

16. Climate change was one of the major themes discussed at the 35th session of the FAO European Forestry Commission (27-30 April 2010, Lisbon). Issues included the significance of the developments at the Copenhagen COP 15 for the EFC region and the implications and constraints, as well as opportunities, of the climate change compliance and voluntary markets.

17. In addition to intergovernmental policy discussions, the Team of Specialists on Forest Policy in Eastern Europe and Central Asia discussed opportunities for regional cooperation to address climate change impacts at its second meeting in Istanbul (20-22 September 2010), following up a regional FAO workshop on Climate Change Impacts on Forest Management in Eastern Europe and Central Asia (14-16 April, Sopron, Hungary).

18. In 2011, the UNECE/FAO Forestry and Timber Section will host a seminar on the Impact of Climate Change on Forest Work, organized by the Joint UNECE/FAO/ILO Experts Network to implement Sustainable Forest Management (24-25 October 2011, Geneva). The Section's flagship publications such as the Forest Products Annual Market Review and the European Forest Sector Outlook Study now include a substantial climate change component. For instance, the 2010-2011 Market Review looked at forestry carbon markets. EFSOS has two relevant scenarios, one on "Maximising carbon" and one on "promoting wood energy"

19. In addition, the Section has developed a website on climate change and forestry[3]. The Section has worked with the UNECE Committee on Housing and Land Management, the Committee on Sustainable Energy and the Committee for Environmental Policy and their secretariats to address the issue of green building. UNECE is planning to conclude an official agreement with UNEP to participate and contribute to the Sustainable Building Climate Initiative.

The Working Party is requested:

- ***to note the proposed seminar on Impact of Climate Change on Forest Work,***
- ***to provide advice on the follow-up to the proposed agreement with UNEP.***

d. Potential Sustainable Wood Supply and Mobilization

20. Following the presentation of the work on sustainable wood supply and mobilization last year, a "Good Practice Guidance on the Sustainable Mobilization of Wood[4]" has been launched along with a leaflet. These will be available to the Working Party at its meeting.

[3] http://timber.unece.org/index.php?id=214

Russian Federation Forest Sector
Outlook Study for the period up to 2030:

Draft outline
for comments by Working Party on Forest Economics and Statistics

Content
Introduction
1. Current state and development trends of the Russian Federation forest sector in the period of 1990-2010.
2.1. Place and role of the Russian Federation forest sector in the economy of the country and the world forest community
2.2 Forest resources (forms of ownership, growing stock, areas, species mix, annual growth, location of forest over the territory of the country, annual allowable cut, forest utilization figures, areas of certified forests).
2.3 Forest legislation, policy and institutions
2.4 Forest management
2.5 Forest industry (production, consumption)
2.6.Forest trade and markets
2.7 Forest ecosystem services
2.8 Russian Federation forest sector under the conditions of world financial crisis (2008-2010)
2. Methodology and scenarios of the Russian Federation Forest Sector Outlook Study for the period up to 2030
3.1 Main issues to be addressed by the study
3.2 Methods and scenarios of prospective study (innovative and inertial), coordinated with the EFSOS and NAFSOS)
3.3 Interrelation of major methodological provisions relating to development of the forest sector and long term forecasts of development of the economy of the Russian Federation and related sectors (transport, housing construction, energy, etc.)
3. Russian forest sector outlook by 2030
3.1 Main goals and objectives of long-range development of the Russian Federation forest sector.
3.2 Forest products and markets outlook by 2030
• Substantiation of demand for basic types of forest products: roundwood, sawnwood, plywood, particleboard and fiberboard, pulp, paper and paperboard on internal and external markets.
• Forecast of production of basic types of forest products: roundwood, sawnwood, plywood, particleboard and fiberboard, pulp, paper and paperboard by years of outlook period.
• Forecast of consumption of basic types of forest products by spheres of consumption.
• Forecast of export and import of basic types of forest products.
• Balances of production and consumption of harvested wood
3.3 Forest resources outlook by 2030: volumes of forest resources accessible in the outlook period in the Russian Federation as a whole and in its subjects: federal okrugs, territories, republics and regions.
3.4. Forest biodiversity and environmental services outlook for the sector by 2030
3.5. Forests and climate change mitigation and adaptation outlook by 2030: Impacts, effects, strategies
3.6. Wood energy outlook by 2030: potential and strategies
3.7. Labor force in forestry outlook by 2030. Balance, tendencies and perspectives of providing qualified labor force in the forest sector
3.8. Training and education outlook by 2030 (development in science, education and re-training of cadres in the forest sector)
3.9. Sustainability analysis of modeling results, based on criteria and indicators for SFM
4. Main policy implications for the sustainable development by 2030:
• Providing sustainable forest management

• Forest fire management
• Development of plantation forest growing
• Assessment of the sustainable potential of Russian forest resources
• Development of markets and trade in forestry;[5]
• Development and implementation of forest legislation and institutions;
• Preserving of forest biodiversity and other environmental services
• Recreation and perspectives of development of protected forest zones
• Realization of forest projects on mitigation of global climate change consequences.
• Assistance to forest adaptation to climate change
• Combating illegal logging
• Perspectives of sustainable production of non-wood forest products
5. Main recommendations and conclusions. Developing forest policies and institutional reforming in the light of scenarios of forest sector development by 2030
In the annexes to the Outlook Study the following materials will be given: tables, graphs and figures on forest resources, on production, consumption, export and import of basic types of forest products as well as other extensive technical and economic information on the Russian Federation forest sector for the period of 1990-2030. In addition, the outlook study will include scenarios for the impact of climate change on the Russian forest sector and will discuss possible mitigation and adaptation strategies.

[5] This can include innovative orientation of technical progress and perfection of forest industry structure; increasing the level of high degree chemical and mechanical wood processing; increase of output of high value added products reduction of power intensity of production and development of bio fuel production; development of infrastructure in forest regions; development of small business. Improvement of investment climate in forest sector Perspectives of forest sector after WTO accession