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**FOOD AND AGRICULTURE
ORGANIZATION**

European Forestry Commission

**Joint FAO/UNECE Working Party
on Forest Statistics, Economics and Management**

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Agenda item 4 (c) of the provisional agenda

GUIDANCE ON WORK AREA 3: FOREST SECTOR OUTLOOK

Note by the secretariat

Summary

This document presents an overview of the activities in Work Area 3, Forest Sector Outlook, and highlights the topics and issues to be addressed by the Working Party. The Working Party is invited to provide guidance on current and future activities in Work Area 3.

I. Activities

A. Friends of the Outlook

1. Outlook studies are now available covering the whole UNECE region with the European Forest Sector Outlook Study (EFSOS) main report having been completed in September 2011, the North American one (NAFSOS) in March 2012 and Russian one (RFSOS) in September 2012. The Secretariat convened a “Friends of the Outlook” meeting on 16 October 2012 in the margins of the Timber Committee session.

2. The objective of the meeting was to discuss strategic outlook issues bringing major players together in an informal setting. The main focus was the mapping of outlook resources (actors, models, data, financing) in the UNECE region with the aim of agreeing on a way forward for the next round of the outlook including providing guidance for the next meeting of the Team of Specialists on Forest Sector Outlook. Partners expressed their interest in cooperating further and made the following suggestions for the way forward:

- a) Publication of the next study by 2016 appeared to be unrealistic unless the study only aimed to update the projections of EFSOS II, which would not be a very useful contribution.
- b) In particular, the next EFSOS should make a new list of policy questions to be addressed, after consultation with “real” policy makers (as opposed to academics and modellers).
- c) Methods and models used should also be rethought in the light of EFSOS II experience and ongoing developments, in particular those with which the “friends of the outlook” are involved.
- d) There could be scope for alignment with the US Resource Planning Act (RPA) Assessment process in the US: the next round of the RPA Assessment is scheduled for 2020.
- e) The Global Trade Model developed by Joseph Buongiorno and used by the RPA Assessment could be examined as regards suitability for use in European conditions.
- f) National correspondents should be more involved in the process as providers and checkers of data. In addition, a much more intense and detailed dialogue about the projections should be engaged with national experts/correspondents. The national experts should be asked their views on the plausibility of projections and the links between existing policy objectives and instruments and the projections, as well as what the projections might mean for policy in their country.
- g) The Team of Specialists (ToS) on forest sector outlook should be the forum for this dialogue between the core team of modellers and analysts and expertise at the national level. This changed role should be taken into account when inviting nominations to the team, which would ideally bring together inventory/wood supply specialists, modelers and those responsible for national forest programmes or equivalent. In this way the outlook studies would be more useful at the national level. Through the Strategic Review process, the type of expertise being sought can be specified.
- h) A meeting of the ToS on Forest Sector Outlook should be held in 2013. Among other issues, the ToS is invited to discuss data requirements and linkages between available models.
- i) The “Friends of the Outlook” group could meet in 2013 with policymakers to discuss and decide on the needs of policy makers to be addressed in the next round of outlook studies. If possible, the ToS should also be involved in this important first step for the new study.

- j) A manual bringing together national and international experience on modelling and outlook study techniques would be a useful tool in capacity building at the national level, and thereby improving the quality of both national and international outlook studies. The friends of the outlook and the ToS should be involved in and support the preparation of such a manual.

B. Maximizing the impact of outlook studies

3. Experience with other outlook studies, in Europe and other regions, indicates that, despite the acknowledged quality of the analysis, and its usefulness to analysts and researchers, their direct impact on policy formulation has been limited.
4. The secretariat and the authors of the study have therefore attached high priority to communicating the EFSOS II analysis, and stimulating a policy debate based on its conclusions. Further efforts to disseminate findings at national or international professional meetings were made. EFSOS II was presented at:
 - a) Laboratoire d'Economie Forestière Biennial workshop, Nancy, 31 May - 1 June 2012.
 - b) Eighth International Conference on Renewable Resources and Biorefineries, Toulouse, 4-6 June 2012.
 - c) Final Conference of the EU Project MANFRED "The Future Potential of European Forest Mountain Forests: challenges and solutions between Green Economy and Climate Change", Rome, 28 June 2012.
 - d) Federal Office for the Environment Waldökonomisches Seminar, Bern, 1-2 October 2012.
 - e) Annual Conference of the APA Engineered Wood Association, Amelia Island, Florida, 10-12 November 2012.
 - f) National Forest Policy Dialogues held in Switzerland, 6 November 2012, and Poland 22 November 2012.

II. The future of forest sector outlook studies

5. Both FAO and ECE conduct and/or facilitate forest sector outlook studies. The future of those studies in the ECE region was therefore discussed at the first meeting of the steering committee for the partnership agreements between ECE and FAO to implement their integrated programme of work on forest related matters, held on 15 January 2013. It was proposed to undertake a feasibility assessment for the next round of outlook studies in the region.
6. This assessment would be based on interviews with the main actors in the ECE region and include:
 - a) Needs in terms of analysis and modelling.
 - b) Scenario construction and consultation with policy makers on topics to be addressed.
 - c) Data improvement and consultation with national correspondents and other data providers.
 - d) Preparation process for conclusions and communication with stakeholders.
 - e) Development of common approaches for the whole ECE region (Europe, North America, Russian Federation).
 - f) Feasibility of finalizing a study by the end of the next ECE/FAO integrated programme of work.

- g) Capacity, willingness of the relevant partners for, and expected benefit from their contribution to an outlook study partnership.
7. The results of this assessment would be discussed at the next meeting of the ToS on forest sector outlook to be held at ‘Metsä2013’ in Rovaniemi Finland, from 9 to 13 December 2013, where the ECE Committee on Forest and Forest Industry and the FAO European Forestry Commission will jointly meet and are expected to adopt the next ECE/FAO integrated programme of work 2014-2017.
8. **Delegates are invited to take note of the past activities and discuss the proposal regarding the future of outlook studies in the region. In particular, they are expected to:**
- a) **Inform the Working Party of any other initiatives taken or planned to promote discussion of the issues raised by EFSOS II.**
 - b) **Suggest further opportunities for reaching out to other sectors and working with actors in those areas, including by providing advice on funding of outreach and communication activities.**
 - c) **Discuss the relevance of having a new round of outlook studies by the end of 2017 and provide guidance to the secretariat on the proposed feasibility assessment.**
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