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Policy issues for the next round of outlook studies

Draft policy issues for the next round of outlook studies

Note by the secretariat

Summary

This document contains a set of draft policy issues for the next round of Forest Sector Outlook Studies. It includes comments received from members of the ECE/FAO Team of Specialists on Forest Sector Outlook.

Delegates are invited to review this list of policy issues and forward it to the next meeting of this Team of Specialists, which is expected to take place early 2015 in Ispra, Italy. Written comments on those policy issues should reach the secretariat by 15 December 2014.

I. Background

1. Outlook studies in general, and ECE/FAO forest sector outlook studies in particular, are meant to be useful to a range of users, including policy makers, helping them base their decisions on transparent and objective information of what the consequences of those decisions might be. The archetypal forest policy question is “Will there be enough wood for future needs, and where will it come from?”, and many studies have focused only on this. However, as forest sector issues have become more complex, and more intricately intertwined with other sectors (e.g. energy, climate change, land use, biodiversity), the challenges facing policy makers have changed, along with the questions they ask.

2. EFSOS II identified seven major challenges for the sector, and after widespread consultation agreed on four “policy scenarios”, which, with a reference scenario (to which the policy scenarios were compared), might help policy makers address the challenges. This explicit focus on challenges and specific questions was welcomed by many readers.

3. However, circumstances and challenges change, new issues arise, and new demands are made. It is not useful merely to update the numbers in scenarios developed by earlier studies, especially as analytical methods and models are becoming more powerful and capable of answering new questions, by combining models or developing new approaches. “Updating” the scenarios of earlier studies is equivalent to providing better answers to outdated questions.

4. Thus, before work starts even on planning the next round of outlook studies, it is important to agree on what challenges are facing the sector, and what questions the outlook studies should try to answer. This should not be a technical question left to analysts and modellers – although their ideas and guidance on limits to methods are vital – but a wider process involving decision makers and stakeholders. Observers who are able to take the long view or make broad syntheses can make a valuable contribution as there is a serious danger of constantly recycling the same issues and challenges, with ever better data, and ever less relevance.

5. This paper is intended to launch the process recommended by the Team of Specialists in June 2014, of identifying the challenges facing the ECE region forest sector and the questions to be addressed by the next round of outlook studies. As such, it addresses policy questions for the ECE region, not just Europe. At this stage, it does not address questions of method or scope, which should be determined in the light of the questions.

II. Questions for the next round of outlook studies

6. The secretariat could coordinate a discussion among members of the Team, and then policy makers and stakeholders, so that an agreed list should be available by spring 2015. To start the process a first draft for comment, reduction and expansion has been prepared. This list is as follows:

(a) Can ECE region forest industries remain competitive relative to other industries, and to forest industries in other regions? Where are the regions strong and weak points with regard to competitiveness costs, scale of operations, marketing, trade in raw materials, innovation? What would be the consequences for the sector as whole of a failure to do so?

(b) What are the consequences for the ECE region forest sector of major structural changes in markets and industries outside the region: rise in Asian demand for forest products, success of China and other countries as intermediate processing countries, fast growing commercial plantations inside the region (US South) and elsewhere (Latin America) etc.

(c) Can forest products remain competitive in key end-use markets: communication, packaging/transport, construction, furniture? What policies and strategies can help them, and which are a waste of public funds?

(d) What are the consequences for the forest sector of policies for renewable energies all over the ECE region? May existing policies and targets with regard to wood energy changeover the next 5-10 years, and with what consequences for forests? Can ECE region forests provide the biomass expected from its own resources on a sustainable basis, and without causing excessive damage to existing material industries? Progress report since EFSOS II: do that study’s conclusions on wood mobilisation for bioenergy demand still hold in the light of changing policies and changes in trade patterns?

(e) What are the consequences for ECE forests and the forest sector of the structural changes in demand, for raw material for the bio-based

industries, notably biorefineries? Total supply, prices, availability for other uses, trade are all important aspects.

(f) Are ownership/tenure systems in the ECE region adequate to deliver all the benefits society and policy makers expect from the region's forests?

(g) How can the ECE region forest sector continue to deliver over the long term the full range of products and services, including for biodiversity conservation and climate change mitigation? What are the tradeoffs between products and services?

(h) What are the options and tradeoffs for the ECE region forest sector contribution to climate change mitigation (including sequestration, storage in forests and products, substitution for materials and for energy).

(i) How can the region's forest sector adapt to climate change: forests, markets, industries, trade? Can it help adaptation of other sectors, e.g. agriculture?

(j) What would be the consequences for the region's forest sector as a whole of complete achievement of the Aichi targets on biodiversity?

(k) What would be the consequences for the ECE region of a successful sustainable mobilisation of the Russian forest resource? Which role could play the forest resources in other countries with economies in transition (wood energy for domestic consumption, timber for local and/or export markets...)?

(l) How serious a threat is forest damage, notably fires and insect outbreaks, to the sustainable management of ECE region forests? What would be the consequences for the sector as a whole of a significant increase in damage, possibly due indirectly to climate change? Include consequences to wood supply as well as supply of non-wood products, recreation, biodiversity etc.

(m) What would be the consequences for the forest sector of significant progress towards the Green Economy? Structure of the sector, relative competitiveness of products and regions, competitiveness of forest products v. others, new revenue flows etc.

(n) What would be the consequences for the ECE forest sector of widespread implementation in practice of valuation of forest functions and benefits and payment for ecosystem services? Consequences for forest management and revenue of forest owners, wood supply, trade etc.

(o) How can the sector adapt to changing patterns of raw material demand and wood supply? Is there a mismatch in quality between what buyers want, and what forests can supply? Examples are demand for smaller diameters, and supply of less spruce, more beech in central Europe. Adaptation to climate change will also influence the type of raw material availability.

(p) What analytical methods and approaches generate the most useful outputs for policy makers? Should the general approach for ECE/FAO outlook studies be maintained or modified?

7. This list should be modified through discussion and take into account the conclusions of the ongoing ECE/FAO studies (Progress made towards the achievement of the Global Objectives on Forests, Forest ownership in the ECE region...) and the Sustainable Forest Management assessment work ("areas of concern" in the pan-European region).

8. The questions in the list should:
 - Be relevant to policy makers, and capable of being addressed by policy.
 - Concern significant parts of the ECE region, not just Europe.
 - Address structural issues, not short term problems.
 - Be capable of analysis by objective methods, notably models.
9. Delegations, who wish to do so, can send their written comments on those policy issues to the secretariat (arnaud.brizay@fao.org and florian.steierer@unece.org) by 15 December 2014.
