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TIMBER COMMITTEE

Sixty-seventh session
Geneva, 13-16 October 2009
Item 3 of the provisional agenda

**MATTERS ARISING FROM THE UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE SESSION**

Note by the secretariat

Summary

This document gives an overview of the matters arising from the sixty-third session of the United Nations Economic Commission for Europe, held from 30 March to 1 April 2009, in particular the decisions adopted by the Commission, which have a bearing on the work of the Timber Committee.

The Timber Committee is invited to take these decisions into account when adopting its programme of work under agenda item 7.

I. SIXTY-THIRD SESSION OF THE UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

1. As requested by the Committee at its sixty-sixth session (ECE/TIM/2008/9), this document gives an overview of the matters arising from the sixty-third session of the United Nations Economic Commission for Europe (UNECE), held from 30 March to 1 April 2009, in particular the decisions adopted by the Commission, which have a bearing on the work of the Timber Committee.

2. The UNECE session defines the overall direction of work of the organization. As decided in the context of the UNECE reform, Commission sessions are held biennially, while the UNECE Executive Committee meets regularly during the year to more closely monitor and guide the implementation of the UNECE programme of work.

3. The Commission reiterated the important role of UNECE, encouraging it “to continue to exercise its catalytic role by bringing the sustainable development goals agreed by the international community down to the regional level and supporting their implementation.”

4. The Commission reviewed the UNECE reform and reaffirmed its strategic direction. It recommitted the “renewed support of its member States to the work of UNECE, with due account of specific needs of its countries with economies in transition.”

5. The Commission discussed climate change in the UNECE region, and recognized that UNECE “benefited from an adequate structure for maintaining climate change issues into sectoral planning.” A panel discussion was held on the theme “Water, forestry and timber: natural systems must adapt, but can contribute to mitigation.” The panel considered that forests both impacted and were affected by climate change, and noted that UNECE region forests are a large carbon sink. It was positively noted that the UNECE/FAO programme of work on timber and forestry assigned highest importance to climate change issues for the strategic period until 2013, supported by a programme based on improved information, policy forums and analysis of the long-term outlook. More information on future activities on forests and climate change under the joint UNECE/FAO integrated programme of work is contained in document ECE/TIM/2009/7.

6. At its meeting on 4 May 2009, following the Commission session, the UNECE Executive Committee invited the Sectoral Committees, including the Timber Committee, to “consider the outcome of the Commission session, with a view to seeing how the ideas and suggestions could be taken on board. The outcome of the discussions of the Sectoral Committees should then be submitted by the Chairpersons of the Sectoral Committees at their respective meetings with EXCOM later in the year for the latter to decide further on actions to be taken.” The Timber Committee is thus invited to consider the discussion of the Commission session on forests and climate change, outlined above, and the way in which the Committee addresses this as an integral element of its Strategic Plan 2008-2013 (see also item III below).

II. IMPLEMENTATION OF THE UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE REFORM

7. During its sixty-third session, the Economic Commission for Europe formally reviewed the UNECE reform, and expressed its satisfaction with its implementation. It emphasized the role of UNECE as “a unique, pan-European platform for all countries to discuss, on an equal footing, issues of importance, such as economic integration, regional cooperation and best practices.” At the same time, it agreed that “further efforts were needed both by member States and the secretariat, to promote better knowledge and recognition of UNECE’s work, including among United Nations bodies in New York.”

8. Furthermore, the Commission noted positive developments throughout UNECE in terms of cooperation with other organizations including the private sector. It recognized the work of the UNECE Executive Committee and noted that this governance arrangement enhances the accountability, transparency and horizontal coherence of UNECE’s work.

A. Timber Committee – Revised Terms of Reference

9. The Economic Commission for Europe at its sixty-third session approved the revised Terms of Reference of the Timber Committee, as adopted during the sixty fifth session of the Timber Committee and the thirty fourth session of the European Forestry Commission at the European Forest Week, on 24 October 2008, and contained in the Strategic Plan of the Integrated UNECE/FAO Programme of Work on Timber and Forestry (ECE/TIM/2008/7).

B. Cooperation with the Ministerial Conference on the Protection of Forests in Europe

10. As encouraged by the work plan on UNECE reform, the Timber Committee is increasingly developing its cooperation with the Ministerial Conference on the Protection of Forests in Europe (MCPFE) which has become well-established. The value-added of the well-functioning ongoing cooperation, is reflected in the respective programmes of work of UNECE/FAO and MCPFE. UNECE/FAO contributes to the implementation of a significant part of the work programme of the MCPFE Liaison Unit Oslo.

11. The Head of the MCPFE Liaison Unit is regularly invited to attend the meetings of the joint Bureaux of the Timber Committee and the European Forestry Commission. UNECE is regularly participating in the Expert Level Meetings and working groups of the MCPFE. UNECE/FAO organizes together with MCPFE and other partners meetings and workshops, for example the workshop on “Strategies for increased mobilization of wood resources from sustainable sources” held in Grenoble, France, in June 2009 (see paragraph 20). The European Forest Week, at the occasion of the joint session of the Committee and the Commission, was organized together with the MCPFE, and a joint pan-European regional input was provided to the eighth session of the United Nations Forum on Forests in April 2009.

C. Monitoring and Analysis of Forest Policies and Institutions

12. As stipulated by the UNECE reform, the Timber and forestry programme has continuously strengthened its activities on monitoring and analyzing policies and institutions. Over the past three years, UNECE/FAO has set up the Inter-Secretariat Coordination Group on Monitoring Policies and Institutions, together with FAO Headquarters, the Legal Office, and MCPFE. Together with partners, a framework for an information repository on policies and institutions, both regionally and global, has been developed and agreed through this group, and presented to the FAO/UNECE Working Party on Forest Economics and Statistics. Upon implementation, this framework should become the global reference for information on forest policies, legislation and institutions.

13. At the same time, the programme has developed its capacities to compare the information provided by countries through different sources, such as the MCPFE qualitative indicators, Forest Resources Assessment 2010 and the national forest programme updates, and has initiated efforts to harmonize future data collection efforts, notably for the next *State of Europe's Forests* report. This was possible thanks to the significant contribution of an Associate Professional Officer by France.

14. In addition to this work, capacity-building activities on policies and institutions in eastern European countries and central Asia are being conducted, together with partners in the pan-European region. The Team of Specialists on Forest Policy in Eastern Europe and Central Asia now embraces the UNECE/FAO strategy for activities in this region as well as the Krtiny process of capacity building workshops. Through the Team, which is serviced by the FAO Sub-regional Office Budapest, with the support of the UNECE/FAO Timber Section, the programme reaches out to the countries in eastern Europe and central Asia and facilitates the sharing of experiences and best practices throughout the region.

III. INTERSECTORAL ACTIVITIES

15. The 2009 session of the United Nations Economic Commission for Europe reiterated the need for intersectoral exchange and coordination. The need for better communication between different “communities” such as forest, water, and energy specialists was emphasized, in order to improve mutual understanding and the knowledge base for action, as well as to avoid contradictions between sectoral policies and perverse incentives. This is particularly important for the future as most sectors will be significantly affected by climate change, and will strive to develop adequate adaptation strategies. Such strategies should be coordinated on an intersectoral basis, in particular as effects on a single sector, such as water or forests, will greatly impact other sectors.

16. In the following, some of the most important inter- and cross-sectoral activities¹ under the UNECE/FAO integrated programme of work on timber and forestry are highlighted. The Committee is invited to take note of these and provide guidance and suggestions for future work.

A. Energy

17. The interaction between developments in the energy and forest sectors are being monitored by UNECE/FAO on a regular basis, notably in the *Forest Products Annual Market Review*. Since the sixty-fourth session of the Timber Committee, particular efforts have been made to improve the understanding of the main issues, bringing together relevant partners in the forestry, timber and energy sectors, in view of assisting Governments and other international organizations to develop sound policies, based on facts and prevalent realities and taking into account the characteristics of all sectors concerned. These are outlined below.

18. The FAO/UNECE Working Party on Forest Products Economics and Statistics requested the secretariat, during its 30th session, to conduct the second regional wood energy assessment since 2006. The Joint Wood Energy Enquiry has been developed in cooperation with the International Energy Agency (IEA) and the European Union as leading partners. Results of the second assessment confirmed that wood energy is the most important source for renewable energy in the region. Further, the second enquiry enabled a first trend assessment of the development of wood energy generation. The total use of woody biomass for energy generation increased by 3.5% annually between 2005 and 2007 to 50 percent of the total share of renewable energy in the countries assessed. This development was strongly influenced by the energy service sector (heat and power generation from woody biomass) which grew 18.8 percent annually in the same period.

19. Following the plenary discussion on “Forests, Wood and Energy” at the European Forest Week in October 2008, a number of meetings have addressed aspects related to wood energy and its contribution to meeting present and future renewable energy needs. A workshop on “Estimating Potential Sustainable Wood Supply” was held, back-to-back with the Working Party session in March 2009, to review the state of the art of national potential wood supply assessments, inspire progress in estimating potential wood supply in Europe, by suggesting methodologies, and developing good practice principles for wood supply studies.

20. In June 2009, UNECE/FAO organized together with MCPFE, the French Government and private sector partners a workshop on “Strategies for increased mobilization of wood resources from sustainable sources.” Held in Grenoble, France, the workshop explored cases of wood mobilization in different circumstances and identified drivers of and obstacles to increased wood mobilization. In follow-up to the workshop, MCPFE, UNECE/FAO and the European Commission, with the support of workshop partners, have been requested to develop good practice guidance on sustainable wood mobilization, based on case studies, and to publish them by the end of 2009. This work is expected to make a significant contribution to the implementation of MCPFE Warsaw Resolution 1 “Forests, wood and energy” and the development of National Renewable Energy Action Plans (NREAPs) by EU Member States.

¹ Inter-sectoral means where two or possibly more sectors interact with each other. “Cross-sectoral” means where major complex issues cut across many sectors. Given the general complexity of the issues, and the difficulty of defining clearly the boundaries of any one sector, this distinction is difficult to apply in practice.

21. On the basis of its work in the field of forests and energy, linkages with the UNECE Sustainable Energy Committee were fostered increasingly. Following the request by the Energy Efficiency 21 (EE21) Steering Committee in May 2008, the Timber Section submitted a project proposal on “Modern and sustainable heat and power from woody biomass in South-Eastern Europe” to the EE21 Steering Committee in 2009 (see Annex 1). The project is aimed at demonstrating the feasibility of converting municipal heat and power systems in the Western Balkans to woody biomass, which would allow using the abundant domestic forest resources in the most efficient and sustainable way. Under this initiative it is proposed to develop detailed project proposals for one or two municipalities in each of the participating countries.

22. The members of the EE21 Steering Committee showed high interest and supported this initiative, and requested continued cooperation between the UNECE Sustainable Energy Division and the Timber Section for developing this sub-regional project. Delegates to the Timber Committee are requested to review this project proposal, and to support the secretariat in the search for funds for implementing the project.

23. The Timber Section is also collaborating with the UNECE Sustainable Energy Division in the field of energy-efficient buildings, as explained below.

B. Housing and Land Management

24. Cooperation with the UNECE Committee on Housing and Land Management, which is within the Environment Division, has continuously evolved since the green building workshop held during the European Forest Week in 2008. Based on the success of the workshop, the Timber Committee and European Forestry Commission called for further collaboration with the Committee on Housing and Land Management, and also the Sustainable Energy Committee. The secretariats worked together on the follow-up workshop, provisionally titled “Responding to climate change: Wood’s place in a global approach to green building,” which will be held in the context of the sixty-seventh session of the Timber Committee.

25. The Government of Canada has invited the UNECE to conduct an international conference which would be hosted in Quebec City in 2010. Preliminarily titled “Green building and climate change: From science to policies,” the UNECE timber, housing and energy programmes are working with the hosts to raise awareness of the opportunities of energy-efficient, environmentally sound buildings. The cross sectoral approach is intended to be a broad basis for promoting new and renovated buildings which will mitigate climate change.

C. Trade

26. Trade in forest products is regularly monitored and analyzed, notably in the *Forest Products Annual Market Review*, which is steadily increasing its coverage of trade policy issues. Relevant policy forums at the Committee’s sessions have also benefited from the expertise available in the Trade and Timber Division. Linkages with the WTO are increasingly being enhanced, in particular with the Trade and Environment Division. On 9 July 2009, the Timber Section contributed to the WTO Workshop on Environment-related Private Standards, Certification and Labelling Requirements, on private standards and certification schemes in wood products. This dimension of the programme is expected to be strengthened in future.

D. Environment

27. Everything related to sustainable forest management, the overriding objective of the sub-programme's work, takes the environmental dimension as one of the pillars of sustainable development into account. Most of activities of the sub-programme thus have an environmental dimension.

28. An extensive set of information related to the forest environment is being collected in order to report on the MCPFE quantitative and qualitative indicators of sustainable forest management. Previously this information was reflected in the UNECE/FAO/MCPFE "Report on the State of Forests and Sustainable Forest Management in Europe", presented at the MCPFE Ministerial Conference in November 2007 in Warsaw. The data are available on-line via the Timber Committee and European Forestry Commission website at <http://w3.unece.org/pxweb/DATABASE/STAT/Timber.stat.asp>. Information collection for the next State of Europe's Forests Report is being prepared, with the draft reporting forms circulated to contact points for their review. The next cycle of the pan-European reporting includes cooperation with other specialized organization (EU Joint Research Centre Ispra, ICP Forests, Biodiversity International) on collection of information on environmental indicators, including biodiversity, air pollution and others.

29. Environment-related information is an important component of the global reporting on forests. The UNECE/FAO contributes to the FAO global Forest Resources Assessment 2010 process. The Timber Section took initiative aimed at ensuring better consistency among regional and global reporting, which should result in decreasing reporting burdens and improving the visibility and utility of the information. The report "European Forest Biodiversity," elaborated by the European Environment Agency, is an example of good cooperation and efficient utilization of data, as the report is extensively based on information collected by the UNECE/FAO. The participation of UNECE/FAO in the work of the United Nations Environment Programme Environment Management Group and the Convention on Biological Diversity Working Group on the 2010 biodiversity target provided for an opportunity to highlight the relevance of the work by UNECE and FAO on forest biodiversity monitoring.

30. In close cooperation with the MCPFE and the European Environment Agency, UNECE/FAO took the lead in refining the project on new European Forest Types and its pilot implementation. The project should significantly contribute to improving and sharing knowledge about the diversity of European forests.

31. Linkages with the UNECE Environment, Housing and Land Management Division and its relevant committees and conventions are fostered on a continuous basis. The Timber Section provided inputs to the parts on forestry in the Environmental Performance Reviews for Kyrgyzstan and Uzbekistan.

E. Water

32. Following the plenary session at the European Forest Week on "forests and water," cooperation has been significantly strengthened between the forest and the water communities, most notably through the European Forestry Commission Working Party on Mountain

Watersheds, the UNECE Convention on the Protection and Use of Transboundary Watercourse and International Lakes (“Water Convention”) and the MCPFE.

33. These partners organized a workshop “forests and water” in Antalya, Turkey, in May 2009, to work towards the implementation of MCPFE Warsaw Resolution 2 “Forests and Water.” The workshop examined the complex interrelations and mutual influences of forests and water, how countries approach these topics, and how this is and could be reflected in forest and water policies in the pan-European and UNECE region and neighbouring states.

34. Despite the visible progress on intersectoral cooperation between the sectors, the workshop identified many opportunities for future collaboration on different levels. Possible topics for work at international levels are not limited to resolving trans-boundary problems. The workshop addressed the lack of instruments for integrated management, need for developing and sharing of good practices and tools for communication to the broader public and all relevant sectors and coordinated research. The importance of forest and water gets an additional dimension when it is brought into the climate change context. Existing structures, processes and institutions, including the UNECE, are available to foster this collaboration.

Annex I

PROJECT PROPOSAL EE21

Project title:	Modern and sustainable heat and power from woody biomass in South-Eastern Europe.
Countries:	All countries in the western Balkans
Coordinator:	UNECE/FAO Timber Section, Geneva
Budget:	€450 000
Duration:	2 years
National Implementing Agencies:	to be determined
Executing Agency:	UNECE/FAO Timber Section, Geneva
United Nations Associated Agencies:	UNECE Sustainable Energy Division, Food and Agriculture Organization, other partners to be determined
Cooperating Agencies:	to be determined
Starting Date:	to be determined

A. Objective

1. To demonstrate the feasibility and desirability of converting municipal heat and power systems in the western Balkans to woody biomass from local renewable sources, laying the foundation for future investment projects.

B. Background - situation in the region

2. The western Balkans have a valuable and expanding forest resource, which could provide significant volumes of renewable energy. However, most citizens, even in rural areas, are dependent on imported fossil fuels: during the recent gas supply problems, villages shivered while surrounded by an abundant safe energy source, simply because the potential of modern wood energy has not been understood at the national, and, more important, local levels. One solution is to convert district heat and energy systems of municipalities in forested areas to modern wood burning.

3. When used in an energy and material efficient way, using a modern burning facility, drawing on wood from sustainably managed forests, wood energy is considered as almost climate neutral. In addition to the energy efficiency, increased energy security and lower fuel costs, especially when the municipality is also the forest owner, these projects could generate additional income from credits for avoided CO₂ emissions and create additional local employment.

4. Woody biomass is the most important renewable energy source in the UNECE region and will see strong growth in coming years. The European Union recently gave a strong political

push to energy from renewable sources, setting targets for 2020. However, wood energy is often negatively perceived as the fuel of the poor because of its labour intensity, often old-fashioned burning facilities and the connected indoor and outdoor air pollution by small particles emissions. Modern burning facilities can effectively convert woody biomass to energy whilst minimizing particle emissions.

5. Many cities and municipalities already possess central heating networks requiring refurbishment, which could be converted relatively cheaply to woody biomass. Furthermore, the municipalities often own (or have guaranteed access to) abundant local wood resources.

C. The project

6. The goal of the project is to demonstrate the feasibility of converting municipal heat and power systems by raising awareness at the policy level and by preparing detailed proposals for one or two municipalities in each of the participating countries. A final workshop would showcase the completed pilot plans and attract investors. The main outputs would be:

- (a) Description of some show case examples where heat and power providers successfully switched to woody biomass;
- (b) A sub-regional workshop to inform the policy level and partners, to refine concepts and to select pilot municipalities;
- (c) Detailed plans to convert municipalities (1 or two per participating country) from heat and power systems based on fossil fuels to systems based on sustainable woody biomass;
- (d) A final conference to present the pilot plans to the policy level and potential investors.

7. Operational steps:

- (a) Launch workshop with participants from energy and forestry area from target countries;
- (b) Raise awareness;
- (c) Bring together forest and energy circles;
- (d) Draw attention of policy makers to the issue;
- (e) Nominate / define pilot municipalities by member states;
- (f) Collect positive examples for wood energy projects in the target region;
- (g) Missions to the pilot areas by the coordinators and partners involved;
- (h) Compilation of regional feasibility reports including business case relevant data;
- (i) Final conference where pilot projects and lessons learned will be presented to potential investors.

D. Implementing agencies

8. The Timber Section of the UN Economic Commission for Europe, implementing a joint timber and forestry work programme with FAO has extensive experience on wood energy issues. Together with the International Energy Agency, the European Commission and the Food and

Agriculture Organization the UNECE/FAO Timber Section developed and implemented the Joint Wood Energy Enquiry, which led to a dataset on wood energy sources and users which is unique in the region. In combination with the information on wood resources the UNECE/FAO Timber Section is best placed to facilitate cross-sectoral communication between the energy and the forest sector.

9. The UNECE/FAO Timber Section has already held three workshops on the promotion of modern wood energy systems in central and Eastern Europe (in Serbia and Romania). The attending participants from policy (energy, forestry, and environment), industries, finance and international organizations came from Albania, Bosnia and Herzegovina, Croatia, Romania, Montenegro, Serbia and Slovenia.

10. The UNECE/FAO Timber Section proposes this project under the EE21 structure as it sees strong synergies in bundling the common efforts in close cooperation between the different sectors (energy, forestry, investment) and levels (international, national, communal/local).

11. The Timber Section would involve partners from both energy and forest agencies to develop and implement this project. Cooperating partners of the EE 21 networks are requested to consider funding of this project. The project was developed following the 19th session of the EE21 Steering Committee in 2008 which “requested the secretariat, in cooperation with the UNECE/FAO Timber Section, to develop a subregional project of Energy Efficiency 21 addressing wood energy and other bio-fuels with a geographic focus on the western Balkans” (ECE/ENERGY/WP.4/2008/3, para 24 i).

12. In implementing the project, the UNECE/FAO Timber Section would cooperate with partners expressing interest. Possible partners are the European Commission in view of the European Union’s promotion of renewable energies, as could well as Austria as a country in the region with a high share of wood energy achieved through the conversion of traditional heat and power facilities. Interested partners are invited to contact the UNECE/FAO secretariat at woodenergy.timber@unece.org.
