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**ECONOMIC COMMISSION
FOR EUROPE**

Timber Committee

Joint FAO/UNECE Working Party
on Forest Economics and Statistics

Thirty-first session
Geneva, 31 March – 1 April 2009
Agenda item 4 (c) of the provisional agenda

**FOOD AND AGRICULTURE
ORGANIZATION**

European Forestry Commission

GUIDANCE OF WORK AREA 3: FOREST SECTOR OUTLOOK STUDIES

Note by the Secretariat

Summary

This document reviews activities in Work Area 3 carried out and planned under the Joint United Nations Economic Commission for Europe (UNECE) / Food and Agriculture Organization (FAO) programme of work.

1. This document is produced in accordance with the programme of work as approved by the Timber Committee in ECE/TIM/S/2008/6 (paragraphs 14 through 53) and “to provide guidance on the implementation of work areas 1, 2 and 3 and parts of work area 5” as stated in the terms of reference of the Working Party as approved by the Timber Committee in ECE/TIM/S/2008/6/Add.1 (paragraph 27).

I. INTRODUCTION

2. This paper presents recent activities under this work area, and plans for the future. The Working Party is invited to provide guidance on this central part of UNECE/FAO programme, which builds on, and reacts to the results of other work areas, notably work area 1 markets and statistics, work area 2 forest resource assessment and work area 5 policies and institutions.

3. The most recent comprehensive outlook study was published in 2005, and since then there have been a number of responses to urgent policy issues, notably bioenergy and wood mobilisation, based on existing European Forest Sector Outlook Study (EFSOS) analysis, methods, data and networks. However the Strategic Review confirmed that a comprehensive outlook study was now needed to bring together recent developments issues and results, and put them in a broader context to help governments, private sector and stakeholders respond to the rapidly changing policy environment and new challenges of the twenty first century.

II. RECENT ACTIVITIES IN WORK AREA 3

4. The Strategic Plan for 2008-2013 contains five programme elements for work area 3. Work on each of these is briefly summarised below:

“Programme element 3.1 Preparing European forest sector outlook studies”

5. A team of specialists on forest sector outlook is being formed. Countries have nominated participants and its inaugural meeting will take place on 4-5 February (agenda attached in annex 1). The main business of the team will be to guide the work on next forest sector outlook study. The Working Party will be informed of the outcome of the team meeting and its report will be made available as soon as possible.

“Programme element 3.2 Contribution to FAO State of the World’s Forests reports”

6. The State of the World’s Forests report 2009, which will be issued for the FAO Committee on Forests in March 2009, is organised along regional lines and based on regional sector outlook studies. The section contributed a chapter on Europe, based on recent activities, which will be included in the final version.

“Programme element 3.3 Analysing climate change issues relevant to the forest sector”

7. The Strategic Review gave highest priority during 2009-2013 to two issues, bioenergy and climate change, and asked the secretariat to develop a programme on climate change. Proposals are being prepared, based on a “gap analysis”, and will be discussed by the bureaux on 3 April, just after the Working Party session. The Working Party will be informed orally of the suggestions, and invited to react. In the meantime, however, several climate change activities have been implemented

(in addition to data on carbon flows under work area 2, reporting on climate change and bioenergy policies in the Forest Products Annual Market Review and the inclusion of climate change issues in the next outlook study):

- (a) A workshop on harvested wood products in relation to climate change policies, which produced valuable conclusions and recommendations on a relatively little known topic (<http://www.unece.org/timber/workshops/2008/hwp/welcome.htm>);
- (b) Side events on harvested wood products at the European Forest Week and the Forest Day 2 in Poznan, during the climate change negotiations, which were based on the workshop conclusions;
- (c) An article on “Forests, wood and climate change” for the ECE Annual Report which will be published before the ECE session, in the same week as the Working Party.

“Programme element 3.4 Analysing energy-related issues, including demand and supply for wood energy”

8. Efforts have continued to provide the best possible data on the supply and consumption of wood energy. This is discussed under item 3 of the agenda, Joint Wood Energy Enquiry 2008 (ECE/TIM/EFC/WP.2/2009/3). In addition, one of the outputs of the work on wood availability is an estimate of the amounts of wood which would be needed to reach official targets for renewable energy. This and other information may be found at a special web page, with numerous links on wood energy (<http://www.unece.org/timber/mis/energy/welcome.htm>).

“Programme element 3.5 Collecting, validating, and disseminating information and analysis on wood availability and potential wood supply”

9. The work in this area has been guided by a task force on wood availability and supply, to which the Team of Specialists on Forest Sector Outlook is mandated to provide guidance. A workshop on national wood resource balances was held in conjunction with the Working Party session in 2008, and a workshop on Estimating Potential Wood Supply will be held just before the session this year (see ECE/TIM/EFC/WP.2/2009/2). A workshop on wood mobilisation will take place in Grenoble, France in the second week of June 2009, under the joint auspices of UNECE/FAO, MCPFE, and several private sector organisations. While the work on estimating potential wood supply has concentrated on analysis and estimation of potential volumes, the workshop will focus on experience and lessons learned in mobilising more wood.

10. The Timber Section has applied, as part of a consortium led by the University of Hamburg, for a tender under the Intelligent Energy Europe programme (IEE) on “Real potential for changes in growth and use of EU forests”, and has been accepted. It is expected that work under this tender, notably on projecting future demand, would provide important input to the sector outlook study. The tender also includes work packages on improving information on wood energy, scenarios for future wood consumption, potential for woody biomass supply, sustainability maps for biomass utilization, and mobilization scenarios until 2030.

11. During the 31 March – 1 April 2008 Workshop on National Wood Energy Resource Balances the need for better forest product conversion factors was cited. At the subsequent Joint UNECE/FAO Working Party on Forest Economics and Statistics this was recognized and the UNECE/FAO Timber Section was mandated to lead a cooperative effort to develop accurate conversion factors for the

ECE region for establishing national and regional wood balances.

12. A task force of national and sector-based experts was formed in the spring of 2008 and this was followed with a meeting of the task force members on 17-18 June in Geneva. The task force reviewed the current problems with existing conversion factors and finalized the units and definitions as well as the desired factors and balances of the various forest products. A questionnaire was developed and distributed to the Task Force members as well as other national correspondents for completion of national conversion factors. The target date for submission of the national factors was 6 December, however, as of mid January 2009 it has become clear that this target was not realistic, as many countries have not been able to obtain the data given the complexity of the information requested, and the lack of resources available to deal with such a technical issue.

13. When sufficient data are received, these will be compiled into a report for the Working Party.

14. To the extent possible, work on wood energy, wood availability and climate change has been designed so that it can serve as input to a future sector outlook study.

III. RESOURCES AND PARTNERSHIPS

15. Since 2004, there has been no professional post with lead responsibility for this work area, and the work has been led by the section chief (formerly EFSOS coordinator), who will retire in 2009. The approach being developed, in the absence of a dedicated outlook studies post is based on four pillars:

- (a) Improved dialogue with other work areas;
- (b) Strengthened partnerships with other organisations and institutions active in this area;
- (c) An even stronger role than in the past for the team of specialists;
- (d) Search for extra budgetary funds.

16. In particular, the following measures are in hand:

- (a) Other teams of specialists, notably those on monitoring sustainable forest management and on marketing are being informed of outlook study work and being asked to contribute ideas and expertise. There is also more information sharing inside the secretariat team.
- (b) All countries have been asked to consider contributing extra budgetary funds or expertise, for a number of specific activities including outlook studies. Some private sector organisations, including CEPI and EPF have contributed to the work on wood availability. The secretariat is considering applying for EU funding under various programmes (in addition to the IEE tender mentioned above), despite the major organizational obstacles.
- (c) There are a number of organisations, including EFI, enterprises, such as Probos, research institutions such as University of Hamburg or Metla and projects such as BEE, which are doing relevant work, and have access to skills and expertise. Rather than competing with them, the UNECE/FAO secretariat is seeking to find common approaches and develop partnerships. This is also helpful when applying for EU

- projects
- (d) Members of the outlook team will be asked not only to guide the work, but also to contribute to it, for instance by taking responsibility for certain sections, doing analysis, making first drafts, reviewing parts of the study etc.

17. Despite the resource problems, the secretariat will retain full responsibility for the content and quality of the outputs, notably the next sector outlook study.

IV. QUESTIONS FOR DISCUSSION BY THE WORKING PARTY

18. Delegations are invited to provide guidance to the work area as a whole. They may wish to focus on the following issues:

- (a) Are the proposals for the scope, main focus, structure and methods of the next outlook study (to be presented by the team of specialists) realistic and appropriate?
- (b) Are the proposals for work on climate change appropriate for UNECE/FAO? (The Working Party's opinions will be transmitted to the bureaux who will decide on 3 April)
- (c) Do they endorse the way in which the secretariat is addressing the issue of resources and partnership? Could they suggestion additional resources and partnership to be considered?

Annex

UNECE/FAO Team of Specialists on Forest Sector Outlook

Inaugural Meeting

4-5 February 2009

Palais des Nations, Geneva, Switzerland

Provisional Agenda

4 February 2009, 9:30

- 1. Opening and Welcome,
Adoption of the Provisional Agenda**
- 2. Roundtable**
- 3. Background and Experiences**
 - a. EFSOS 2005: usage, shortcomings, challenges
 - b. FAO Global Outlook study and regional studies
 - c. Modelling applied in EFSOS and global outlook work
 - d. Recent outlook work in North America
- 4. Towards a New Outlook Study**
 - a. Intelligent Energy for Europe tender “Real potential for changes in growth and use of EU forests” (EUwood): scenarios until 2030
 - b. Outlook-related work at EFI
 - c. Alterra: Forest resource modelling with EFISCEN

4 February 2009, 12:30 – 14:00: Lunch break

- d. Forest products and statistics: data and analyses
- e. Forest resources assessment: MCPFE and FRA data

- f. Wood availability and demand, potential wood supply, wood resource balance: results of studies conducted and planned work
- g. UNECE/FAO Task Force on Forest Product Conversion factors
- h. UNECE/FAO/IEA Joint Wood Energy Enquiry and future activities on wood energy
- i. Policies and institutions: existing data, policy monitoring
- j. Forest biodiversity
- k. Forests and Climate Change: mitigation
- l. Forests and Climate Change: adaptation

4 February 2009, 17:30: Closure of 1st day

5 February 2009, 9:30

- 5. Towards a new Outlook Study: scope and issues**
- 6. Proposed approach, process, methodologies and timing of a new outlook study**
- 7. Agreement on framework for next outlook study, Workplan for the Team of Specialists**
- 8. Election of Team leader and vice leader(s)**
- 9. Next Meeting of the Team of Specialists; Reporting to the Working Party**
- 10. Other matters**

5 February 2009, 12:30: Closure of the inaugural meeting
