



Item 4

Reporting on implemented and ongoing work

Forest products markets

Documentation: ECE/TIM/2023/2-FAO:EFC/2023/2

ECE/TIM/2023/6-FAO:EFC/2023/6

ECE/TIM/EFC/WP.2/2024/4 ECE/TIM/EFC/WP.2/2024/5 ECE/TIM/EFC/WP.2/2024/6

Geneva, 22-24 May 2024

- Low carbon construction
- Forest Products Annual Market Review
- Report by the Team of Specialists



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Low carbon construction

<u>Prepared "Draft policy guidelines/principles on advancing low carbon construction in cities" – presented @ Foresta 2023</u>
(20-23 November 2023), San Marino (to be finalized in 2024)

<u>Contributed to UNEP – CONFERENCE "Buildings and Climate</u> <u>Global Forum" (7 - 8 March 2024) Paris, France</u>

Organized COP28 side event – "Carbon sponge city - Why cities can help solve our climate problems" 01 December 2023, Finland Pavilion, Dubai United Arab Emirates





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Forest Producst Annual Market review

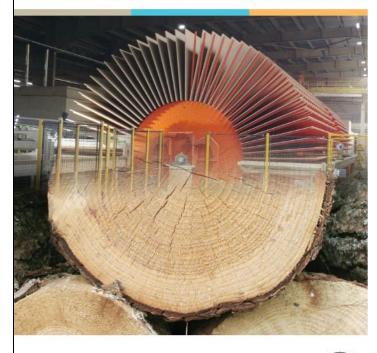
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Forest Products

Annual Market Review 2022-2023





UNECE/FAO Data Brief Sawn softwood 2023 UNECE (3) rand and diquestion of the contraction of

2022 wils 9,5% lower (-3.8 million m²) than in 2021 with tish Columbia posing a 14,5% reduction.

Electronic supplement I:

Data (historic and forecast)

Graphs & Tables

Electronic supplement II: Country market

Statements:

References



UNECE/FAO Data Brief 2023 Pulp, paper and paperboard

UNECE Proof and Organize

Introduction

profoundly impacted by the COVID-19 pandemic. Worker shortages. logistics and adapting to a changing socioeconomic environment during the 2020-2022 period were a transformative learning experience for all.

In the last three years, pulp capacity has increased significantly in the southern hemisphere. Closures occurred n the developed economies mainly in the north, due to changing consumption habits. Paperboard has experienced such overbuilding in capacities that major rationalization and expansion project delays are occurring.

Incremental investment in additional supplies is veloping particularly quickly in the pulp market in South America and in all areas, pulp, paper and paperboard in China. The resulting capacities add to the global production overcapacities in most segments will continue to force closures of production assets around the world.

PAPER AND PAPERBOARD

Total paper and paperboard production in Europe fell by 4.9% in 2022 to 95.5 million tonnes. High energy costs and raw material prices impacted much of the region. Apparent consumption of paper and paperboard remained unchanged in 2022 at 89.9 million tonnes (Graph 1). During the second half of 2022, numerous paper-machine closures were driven by a decline in consumption. The latter was the result of higher raw material prices and lower advertising budgets for print products. Closures continued into 2023.

The production of graphic grades fell by 9.6% to 24 UNECE: million tonnes in 2022, with uncoated woodfree paper dov 2022 by 5.9% to 7.4 million tonnes, and coated paper do 10.6% to 8.3 million tonnes. Newsprint produc decreased by 10.0% to 4.1 million tonnes.

The production of sanitary and household par

ainly because of high energy pricer on fell by 3.5% in 2022 to 34.0 million decreased by 2.0% to 11.7 million !

UNECE/FAO Data Brief 2023 Wood pellets and wood fuel

UNECE Food and Agriculture Organization of the United Mattors decline Introduction







Forest products annual market review (FPAMR) 2024 edition

Peter Pechacek

- Acknowledgments
 - FAO funding
 - Florian Steierer
 - Technical review FAO Forestry division (NFO) in Rome
- Format similar to previous years 5 chapters on
 - Overview & policies
 - Sawn softwood
 - Wood-based panels
 - Pulp and paper
 - Wood energy
- Structure of chapters by subregions Europe, Eastern Europe, Caucasus/Central Asia, North America





Forest products annual market review (FPAMR) 2024 edition cont'd

Peter Pechacek

- Lead & contributing authors
- Analysis period July 2023 May 2024
- Based <u>exclusively</u> on author's market knowledge; UNECE does not provide any statistics for the analysis period





Forest products annual market review (FPAMR) 2024 edition cont'd

Peter Pechacek

- Workplan
 - Tight deadlines late start/additional requirements
 - Compliance with FAO publication rules
 - Writing Style English
 - Publication workflow Plagiarism check
 - Ready for printing early September
 - Printed (if possible) 4 weeks ahead of COFFI





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ToS on Sustainable Forest Products

Meetings and output (2023-2024)

- The ToS held meetings on the following issues:
 - ToS team meetings
 - Forest products and the circular economy
 - The impact of the EUDR in the UNECE region
 - Market discussions at FORESTA 2023.
- We organised a workshop at FORESTA 2023 on "How to Minimise Carbon in Buildings"
- ToS Members contributed to the writing and editing of the FPAMR 2022-2023.





ToS SFP Hybrid-workshop at FORESTA 2023 "How to Minimise Carbon in Buildings"

- Targeted at professional influencers in the building sector in the UNECE region
- Our Workshop was heavily promoted on LinkedIn
- Included speakers from the forest products and building sectors
- Speakers presented case studies from across the ECE Region
- A wide-ranging discussion underlined wood construction's carbon & time-saving benefits and cost-efficiency.

Follow-up: on an ongoing basis, we need to raise and broaden the awareness amongst key decision-takers and policy-makers of the benefits of using forest products in construction.

BUT: we cannot undertake this without appropriate resources, including: funding, staffing and other in-kind inputs.





ToS SPF work on the EU Regulation on deforestation-free products (EUDR):

- Without a formal relation with the EU authorities on the EUDR, the UNECE is well placed to offer a
 neutral platform for constructive discussion on how actors, esp. operators & traders, may best
 prepare for and comply with the EUDR. So...
 - from January to April 2024, the ToS devised and executed a targeted survey to identify the main common issues on and obstacles to EUDR implementation and also possible practical solutions which could help make the EUDR work.
 - The survey results identified the main forest-based products and their places in supply chains for which stakeholders had the highest concerns. An on-line meeting (26/04/2024) with respondents discussed and refined these and identified some overlaps with other, existing legal requirements on forest-based products, with a view to streamlining/minimizing the bureaucratic burden for market actors.
 - Possible solutions were grouped into: changes to the EUDR act (not feasible at this stage)
 and interpretations of and/or adjustments to implementing rules (feasible subject to EU
 and/or EU member states' acceptance). All results are being communicated to the relevant
 EU services.



Summary of main EUDR issues identified by the ToS survey and on-line meeting (26/04/2024):

- Geo-location, esp. will the 4 ha. land-plot threshold be modulated?;
- Can there be more clarity/flexibility on the "forest degradation" definition?;
- More clarity/flexibility on "plantation" and "regeneration", etc. definitions?;
- Can there be clarity on countries' risk assessment to avoid all being medium?;
- Will the ongoing testing by operators enable the start dates foreseen?;
- How and when will the EU Interface inputs and outputs be fully operational?;
- Will there be more flexibility for dates of "transition stock"?;
- What are the alternatives to "mass-balance", e.g. so-called "bulking"?;
- Confidentiality safeguards: for both authorised and unauthorised users;
- Improuve information dissemination vis-à-vis non-EU countries ;
- How will disputes be settled between member states and the EU Commission?

Proposed work programme (2024)

The ToS will provide support for the Secretariat by:

- Organising the market discussions (COFFI 2024)
- Tracking developments of the EUDR (This is likely to continue into 2025)
- Provide market guidance to the ToS on Forestry Statistics and Wood-biomass Energy
- Contribute inputs to and proof-read the FPAMR (2023-2024);
- Hold ToS meetings (online)
- Organise online workshops as required, including those on low carbon construction
- Support and communicate with other ToS and externally regarding ECE outputs, including improvement of the web-site and an increased use of relevant social media

Issues for consideration by the Working Party

- Consider the importance of deforestation-free supply chains for forest products and invites the JWP to encourage the secretariat to focus on this topic during the Market Discussion of the eighty-second session of the Committee on Forests and the Forest Industry in November 2024;
- Financial, material and staffing support is required for the ongoing production of the FPAMR (valid content, quality, timeliness, etc.) and for other ToS activities, especially events.
 - Accordingly, member States are invited to propose and discuss all feasible options, including in-kind (e.g. personnel time) and financial support to the activities.
- The ToS needs to further improve our communication output, especially via the web-site and on social media.
- The Working Party is invited to help gather ToS inputs and disseminate ToS outputs, e.g. events





Thank you

Geneva, 22-24 May 2024

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