

European Forest Week Bulletin

A Summary Report of the First European Forest Week (EFW)

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SUMMARY REPORT OF EUROPEAN FOREST WEEK: 20-24 OCTOBER 2008

The first European Forest Week was held from 20-24 October 2008. It consisted of over 100 forest-related events held concurrently in 30 countries across Europe. The main event, the joint meeting of the Sixty-sixth session of the United Nations Economic Commission for Europe Timber Committee and Thirty-fourth session of the European Forestry Commission of the Food and Agriculture Organization of the United Nations, took place at the FAO headquarters in Rome, Italy, from 21-24 October 2008.

European Forest Week fulfilled a Statement adopted by the fifth Ministerial Conference on the Protection of Forests in Europe in Warsaw in November 2007 in which it was declared that 20-24 October 2008 would be Pan-European Forest Week.

The purpose of European Forest Week was to increase the visibility of forests and the forest sector, and raise awareness about their importance. Organized jointly by the FAO, the UN Economic Commission for Europe, the Ministerial Conference on the Protection of Forests in Europe and the European Commission, the events of European Forest Week held in Rome attracted approximately 400 participants from 45 countries.

In Rome, a variety of stakeholders, including representatives of government, intergovernmental organizations, non-governmental and research organizations and private forest owners, shared perspectives and solutions to global challenges relating to forests and climate change, energy and water. Following consideration of these topics in plenary, participants met in parallel policy dialogues to deepen the discussion, covering aspects such as improving forest law enforcement and governance in the European Neighborhood Policy, the new forest policy of the Russian Federation, gender and forestry, the role of wood products in climate change mitigation, and adaptation of forest trees to climate change.

At the conclusion of European Forest Week, the joint meeting adopted its report and annexes (FO:EFC/TC/2008/Draft Report), reflecting the Chairs' summaries of the discussions on forests and climate change, forests and energy and forests and water. The meeting also adopted the Joint Timber Committee and European Forestry Commission Market Statement (ECE/TIM/2008/6; FO:EFC/08/6), reflecting the outcome of the market discussions.

A BRIEF HISTORY OF EUROPEAN FOREST WEEK

Forest sector policy in Europe is comprised of several international organizations and processes at the regional, sub-regional and pan-European levels. The key intergovernmental organizations include the UN Economic Commission for Europe Timber Committee (UNECE-TC), the FAO European Forestry Commission (FAO-EFC), the Ministerial Conference on the Protection of Forests in Europe (MCPFE) and the European Commission. European Forest Week is a weeklong event that convenes these constituencies to discuss the importance of forests in the European context.

THE UNECE TIMBER COMMITTEE AND FAO

EUROPEAN FORESTRY COMMISSION: The UNECE-TC and the FAO-EFC were both founded in 1947 in light of the destruction of forests during the Second World War and the increasing need for timber products for post-war reconstruction. The International Timber Conference, organized by the Food

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REPORT OF EUROPEAN FOREST WEEK

OPENING

Jan Heino, Assistant Director-General, FAO, called to order the joint meeting of the Sixty-sixth session of the UN Economic Commission for Europe Timber Committee (UNECE-TC) and Thirty-fourth session of the FAO European Forestry Commission (FAO-EFC) on the morning of Tuesday, 21 October 2008. He highlighted the global economic crisis as the backdrop of European Forest Week (EFW), and noted that the forest sector has a unique opportunity to respond to the crisis.

Jim Butler, Deputy Director-General, FAO, noted the significant growth of the forested area and wood volume in Europe. He called on EFW to advocate sustainable forest management (SFM), and demonstrate that wood is a smart choice as a natural and renewable resource. He declared the first EFW open.

Lars Peder-Brekke, Minister for Agriculture and Food, Norway, and Co-Chair of the Ministerial Conference for the Protection of Forests in Europe (MCPFE), recalled the successful pan-European process in forestry, and highlighted the need to raise awareness and reach a broader audience, including outside Europe.

Paulo Garonna, Deputy Executive Secretary of the UNECE, explained the significance of EFW, noting in particular the 60th anniversary of the establishment of the FAO/UNECE forests programme, increased public awareness of the contribution of forests to sustainable development, and the success of the partnership approach to this end.

Benito Marin Herero, on behalf of the European Commission (EC), underlined the Commission's forest-related initiatives, including the implementation of the EU Water Framework Directive and, complementary to the existing European Forest Action Plan, the EC's communication adopted in October 2008, with concrete proposals to reduce emissions from climate change, as well as proposed legislation to combat illegal logging.



Jim Butler, Deputy Director-General, FAO



Lars Peder-Brekke, Minister for Agriculture and Food, Norway, and MCPFE Co-Chair



Benito Marin Herero, on behalf of EC

and Agriculture Organization of the United Nations, was held in Mariánská Lázné, Czechoslovakia, in 1947, to address increased forest cutting, lumber rationing and a long-term commitment to forest management.

The UNECE-TC was charged with short-term supply issues, and the FAO-EFC with long-term policy issues. The work of the UNECE-TC revolves around market analysis, information exchange, sector outlook studies and forest resource assessments, including sustainable forest management more broadly. The work of the FAO-EFC centers on monitoring policy developments affecting the sector and analyzing possible response strategies. The joint integrated programme of work of the UNECE-TC and FAO-EFC, which has been in operation since 1948 and provides for a joint Secretariat, joint meetings and joint publications, has further enhanced cross-sectoral initiatives and policy and institutional monitoring. Since their establishment, these organizations have held joint meetings every four years.

THE EUROPEAN COMMISSION: The European Commission's work on forests is undertaken through its Directorates-General on Environment, Energy, Transport, Agriculture and Rural Development and Enterprise and Industry, as well as the European Statistical Office (Eurostat), the Joint Research Centre and the European Environment Agency. In 2006, the European Forest Action Plan was adopted with a view to supporting and enhancing sustainable forest management and the multifunctional role of forests. The Plan provides the framework for forest-related actions at the Community and member state levels, and for coordinating the Community's actions with the forest policies of its member states.

THE FIFTH MINISTERIAL CONFERENCE ON THE PROTECTION OF FORESTS IN EUROPE: The Ministerial Conference on the Protection of Forests in Europe (MCPFE) is a high-level political initiative that works towards the protection and sustainable management of forests throughout the region. Forty-six European countries and the European Union, cooperating with a range of international organizations, are involved in this initiative.

The Fifth Ministerial Conference on the Protection of Forests in Europe (MCPFE-5) was held from 5-7 November 2007 in Warsaw, Poland. The conference, organized under the theme "Forests for Quality of Life" was attended by ministers responsible for forests. The conference adopted the Warsaw Declaration and Resolutions on "Forests, Wood and Energy" and "Forests and Water." Ministers adopted a Ministerial Statement on the Southern European forest fires and a statement declaring 20-24 October 2008 Pan-European Forest Week 2008, and encouraged governments and other stakeholders to organize actions at all levels. The purpose of the week was to increase the visibility of forests and the forestry sector, and raise awareness about their importance.

MCPFE-5 highlights included: a multi-stakeholder dialogue; presentations of up-to-date information on the implementation of sustainable forest management (SFM) at national and regional levels; and a signing ceremony for the Warsaw Declaration and the two Resolutions.

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

The plenary adopted the provisional agenda of the meeting (ECE/TIM/2008/1/Rev.1 and FO:EF/08/1) without amendments. The plenary also agreed to have Johann Dengg, Chair of the UNECE-TC and Alain Chaudron, Chair of FAO-EFC, co-chair the joint meeting.

Participants met in plenary in the morning from Tuesday, 21 October to Friday, 24 October, to discuss the key topics for EFW: forests and climate change; forests and energy; forests and water; and working together on forests. They also considered the future work on forests and climate change (ECE/TIM/2008/7/Add.1; FO: EF/08/7/Add.1) to be included in the UNECE/FAO integrated programme of work, the work of the FAO-EFC and of the UNECE-TC, and input to the eighth session of the United Nations Forum on Forests (UNFF). Participants met in several parallel groups to discuss specific aspects of these key topics in greater detail.

This report covers the joint meeting, and is organized on the basis of the meeting agenda, and includes reports of the UNECE-hosted Workshop on "The Role of Wood in Green building and Green building: Effects on the Forest Sector in the UNECE Region," and proceedings of the UNECE Water Convention Working Group on Integrated Water Resources Management (IWRM), which were organized as side events.

FORESTS AND CLIMATE CHANGE

On Tuesday morning, plenary considered the topic of Forests and Climate Change, which was chaired by Co-Chair Chaudron, and facilitated by Tim Rollinson, UK.

In the keynote presentation, Andreas Fischlin, Swiss Federal Institute of Technology, presented on Chapter 4, "Ecosystems, their Properties, Goods and Services," of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC-FAR), for which he served as coordinating lead author. He pointed to the ecosystem services provided by forests and exemplified potential forest cover changes from climate change based on different IPCC scenarios of temperature increases.



Andreas Fischlin, Swiss Federal Institute of Technology

Presenting on "Forests and Climate Change Implications for Forests Policy", Tim Rollinson, UK, called for country-level assessments similar to the forest chapter of the IPCC-FAR, and highlighted ongoing work in the UK to prepare a national assessment, which will lead to a review of national forest policies.

Rollinson then highlighted four questions that would guide discussion of this topic: how can

better coordination and communication between climate change negotiations and forest sector policy issues be achieved at the national, regional and global levels?; what do countries expect from FAO, UNECE and MCPFE in the context of forests and climate change?; how should climate change mitigation and adaptation measures and programmes be integrated into forest sector policy, including national forest programmes and vice versa?; and how could forest management strategies be modified to reduce forests' vulnerability to climate change?

Teresa Presas, Confederation of European Paper Industries (CEPI), noted that the carbon sequestration and substitution roles of forests have not been adequately translated into practice, and called on leaders to adopt a balanced and common approach to address climate change, and on governments to actively work towards addressing conflicting public perceptions of certain aspects of forests and forestry.

Carole Saint-Laurent, IUCN, said climate change adaptation and mitigation strategy goals need to: be based on an integrated approach; consider forests from a broader perspective; and strengthen good governance.

In the ensuing discussion, delegates stressed the positive contribution of forests to energy provision, protection of water resources and to combating climate change. Others expressed concerns about accounting systems, noting that sequestration calculations for existing forests might undermine efficient SFM and delivery of biofuels. In response, panelists, cautioned that forests could transform due to climate change and result in carbon losses, and stressed the need to weigh global needs over national interests and focus on SFM to maintain forests. Some participants noted that national forest programmes can help balance different functions of forests, emerging issues should be considered in the discussions about the UNECE-TC/FAO-EFC Strategic Plan, and a comprehensive integrated approach was required from the local to the global level.

Concerns were expressed that the role of forests as carbon sinks overshadows the social and cultural aspects of forests. Calls were made for more targeted and user-friendly communication activities, including outside Europe, and utilizing relevant international organizations. In this regard, providing specialized assistance was mentioned, in particular to the Mediterranean and Near East sub-regions. Several delegates stressed the global importance of EFW and of SFM in finding a balance between forests as a carbon sink and wood use in construction.



L-R: Christer Segersteen, Confederation of European Forest Owners; Teresa Presas, CEPI; and Carole Saint-Laurent, IUCN



Tim Rollinson (UK)

In response, panelists underscored the need for a balanced approach, collaboration, bridging the urban-rural divide in perception about forests, and developing inter-sectoral mechanisms at senior government levels; called for a proactive engagement by foresters in the climate change process, stressing that the Fifteenth Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) to be held in 2009 in Copenhagen, Denmark, will affect the sector; and noted that while SFM is key to addressing climate change, the path to it will not be straightforward, as the SFM concept will have to evolve due to climate change.

MARKET DISCUSSIONS ON FORESTS AND CLIMATE CHANGE: On Tuesday afternoon, Co-Chair Chaudron opened the market discussions, an annual event of the UNECE-TC, which was jointly organized with the FAO-EFC under the theme, "Green building's impacts on the forest sector."

Co-Chair Chaudron welcomed the participation of owners of forests and purchasers and users of wood products. Co-Chair Dengg noted that green building has great potential for increasing energy efficiency in residential and non-residential construction.

Ed Pepke, UNECE/FAO, announced that one focus of the market discussions will be green building as a new market driver.

Helmut Resch, University of Natural Resources and Applied Life Sciences, Vienna, presented on forest product markets and policy developments, advocating increased reforestation and use of wood products as a way of reducing emissions. He welcomed increased corporate responsibility, which had led to the inclusion of environmental and social standards in industry codes of conduct. Regarding green building standards, Resch noted that wood scores lower in rating systems that fail to account for energy used in the production of building materials, and is disadvantaged by rating systems requiring that wood be certified but not other building materials.

Carl-Eric Guertin, Quebec Wood Export Bureau, presented a summary of the findings of the green-building workshop held on Monday, 20 October 2008, in advance of the joint UNECE/FAO meeting, and called for increased engagement of architects and engineers to encourage wood use in non-residential buildings.

In the ensuing discussion, delegates recognized opportunities of forest products for bioenergy production, noting that forests do not displace agricultural production and impact food security to the extent that other biofuels do. Delegates also pointed to the need to promote wood as a green and cheap building material, and its use in renovating existing housing stocks.

Presenting on certification and certified forest products markets, Ruth Nussbaum, ProForest, concluded that green building is only one driver of certification and that the factors likely to influence the market are the global economy, climate change policies and wider use of certification.

Highlighting developments in the roundwood market based on the 2007-2008 Forest Products Annual Market Review, Ed Pepke, UNECE/FAO, suggested that: log and pulp wood imports and exports will decrease; chips, residues and particles in the Commonwealth of Independent States (CIS) are increasing; wood fuel production in Europe is comparatively high; and industrial roundwood prices in both Europe and North America have suffered from storm effects.



The market discussions on Tuesday afternoon focused on forests and climate change, green building, certification, and wood raw material markets. L-R: Nikolay Burdin, Research and Design Institute on Economics, Production Management and Information for Forest, Pulp and Paper and Woodworking Industries, Russian Federation; Ruth Nussbaum, ProForest, UK; Carl-Eric Guertin, Quebec Wood Export Bureau; Helmut Resch, University of Natural Resources and Applied Life Sciences, Austria; Co-Chair Alain Chaudron; Co-Chair Johann Dengg; and Ed Pepke, UNECE/FAO.

On the production, consumption and trade in forest products in the Russian Federation in 2005-2008, Nikolay Burdin, Research and Design Institute on Economics, Production Management and Information for Forest, Pulp and Paper and Woodworking Industries, said: roundwood production has hardly grown in 20 years; unprocessed wood exports will continue to drop; domestic consumption of softwood has fallen; a new project for forest management is under way; a tax on log exports from the Russian Federation is being implemented; and Russia's export market growth is expected to be in Asia, the CIS countries, East and Western Europe, and Northern Africa.

In the discussion, participants highlighted: the need to address both forest management and technical timber requirements to assuage architects' concerns; the new EU timber markings; Russia's use of an export tax to stem exports of illegally logged timber; the dataholz.com website providing data and information on wood as a building material; the costs of forest certification; the attention given to energy in forest certification schemes; and EU efforts to harmonize liquid and solid fuel certification.

POLICY DIALOGUES: The Role of Wood Products in Climate Change Mitigation: This event, took place on Tuesday afternoon, and was chaired by Kit Prins, UNECE. Sebastian Rüter, Johann Heinrich von Thünen Institute, discussed how to account for the effects of wood storage and substitution on climate change. Kim Pingoud, VTT Technical Research Centre of Finland, discussed the atmospheric flow approach, a new method to account for harvested wood products, which distinguishes



Participants during the Policy Dialogue on *The Role of Wood Products in Climate Change Mitigation*

between imported and exported harvested wood products. Sebastian Hetsch, UNECE/FAO, presented the conclusions and recommendations of the UNECE/FAO Workshop on Harvested Wood Products held in September 2008, in Geneva, Switzerland.

In response to participants' questions, the panelists said: for 10 years, industrialized countries have been net carbon emitters; to be effective, harvested wood products accounting would have to involve all UNFCCC parties; while domestic voluntary accounting may be weaker, it may increase product market competitiveness in the long term; and embodied energy of exported combustion wood products should be reported.



Sebastian Hetsch, UNECE/FAO

Improving Forest Law and Governance Regional Programme: An information session on Improving Forest Law Enforcement and Governance (FLEG) in the European Neighborhood Policy Programme took place on Tuesday afternoon. Andrey Kushlin, World Bank, introduced the theme. The discussion focused on the concept, objectives and structure of the programme. The European Commission, IUCN, WWF and other sponsors and participants highlighted the state of forest law enforcement and governance. Programme members reported on progress made in some countries and existing constraints, including corruption and illegal logging. The discussion focused on the content and importance of country work plans as the basis for the programme's implementation. A suggestion was made to organize, in cooperation with MCPFE, a high-level conference as a follow-up to the FLEG conference held in 2005, in St. Petersburg, the Russian Federation.

New Forest Policy of the Russian Federation: Challenges for the Future: This event was held on Tuesday afternoon. It was organized by the Russian Confederation of Associations and Unions of Forest, Pulp and Paper, Woodworking and Furniture Industry, and the Federal Forestry Agency of Russia. Alexei Savinov, Head of the Federal Forestry Agency, Russian Federation, launched the discussion. Presentations and comments covered the Russian forest sector's development perspectives, its role in the context of global issues, interaction of government, business and science, and cooperation with FAO.

The Role of Wood in Green Building and Green Building Effects on the Forest Sector in the UNECE Region:

This workshop took place all day Monday, 20 October 2008, and preceded the joint meeting. The workshop's four topics were: the Evolution of Green Building; Opportunities and Constraints of Wood in Green Building; Tackling Climate Change – wood as the preferred building material; and Potential Impacts of Green Building on the Forest Products Sector. Each topic consisted of a number of expert presentations, followed by a question and answer session.

Maurizio Colella, Vice-President of Fedecomlegno, Italy, Johann Dengg, UNECE-TC Chair, and Richard Vlosky, UNECE/FAO Team of Specialists in the Forest Products Market and Marketing, made opening statements.

On the evolution of green building, Beatrice Spirandelli, National Association of Bioecological Architecture, Italy, and Paola Deda, UNECE, provided overviews of green building, its opportunities and constraints. Other presentations focused on the residential and non-residential demands for green building around the world, with Ivan Eastin, University of Washington, reporting on the US, Manfred Filippi, Holzabsatzfonds, focusing on Western Europe, and Alois Geisslhofer, Ecoplus, Austria, discussing Central and Eastern Europe.



Andrew Waugh, Waugh Thistleton Architects Limited

On the opportunities and constraints, François Robichaud, FPInnovations, made a case for communication with architects on a brand identity of wood used in non-residential construction. Andrew Waugh, Waugh Thistleton Architects Limited, reported on the construction of a nine-storey solid wood panel building that he had overseen. Adrian Joyce, Architects' Council of Europe, explained that while architects want to ensure sustainability in construction, they are cautious since they are liable for the long-term performance of a building.

On wood as the preferred building material to tackle climate change, André D'Arcy, Ministry of Natural Resources, Province of Quebec, Canada, highlighted the wood use strategy for construction implemented by the Quebec government.

Filip De Jaeger, CEI-BOIS, noted that wood helps combat climate change by reducing greenhouse gas (GHG) emissions and increasing carbon sinks. He emphasized the need to place wood at the center of the UNFCCC COP15 in Copenhagen in 2009, and to include harvested wood as a carbon sink in the post-2012 Kyoto arrangements. He described the tools being used and developed, on-going work with the European Parliament, and some national initiatives.

Ruth Nussbaum, ProForest, explained the UK wood procurement policy, in particular the rule that wood must be from legal and sustainable sources.

Sebastian Hetsch, UNECE/FAO, suggested that wood products be included in the UNFCCC post-2012



Paola Deda, UNECE



Ruth Nussbaum, ProForest, UK



L-R: Alison Rowles-Anobile, IUCN; David Jenkins (UK); and Jeremy Wall, EC

arrangements, and said an agreement on accounting methods of emissions is a necessity, with the main aim of reducing overall GHG emissions.

Regarding the potential impacts of green building on the forest products sector, David Jenkins, UK, and Coed Cymru, Ty Unnos (A house in a night), presented examples and case studies of rapid house construction using local wood.

Alison Rowles-Anobile, IUCN, raised NGO concerns to ensure that building methods are sustainable. Jeremy Wall, EC, discussed the need for adequate education, training, and skills development to support a wider sustainable use of wood in construction.

Carl Eric Guertin, Quebec Wood Export Bureau, summarized the outcomes of the workshop and Ed Pepke, UNECE/FAO, gave closing remarks, pointing out that green building would be a key theme of the Forest Products Annual Market Review 2007-2008 to be discussed in greater detail during the market discussions of the joint UNECE/FAO meeting.

FORESTS AND ENERGY

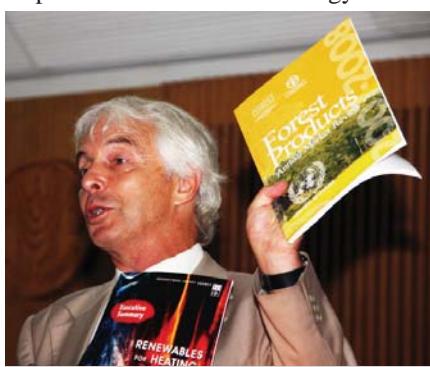
On Wednesday morning, plenary considered “Forests and Energy,” with a keynote speaker, panel presentations and a series of question and answer sessions.

Co-Chair Dengg opened the discussion on forests and energy, pointing out that a balance needed to be found between increasing demand for biofuels and the interests of other wood users.

Keynote speaker Ralph Sims, International Energy Agency (IEA), reported on the future potential of renewable energy and the role it might play in meeting targets for GHG emissions reductions

and on the findings on bioenergy in the Energy Supply Chapter of the IPCC-FAR, for which he served as coordinating lead author. He pointed to related policy goals, such as energy supply security, reduction of

reliance on imported fuels and sustainable development, and called for balanced decisions on the optimal use of biomass, given the competing demands for heating, power generation and transport.



Ralph Sims, IEA



Participants met in on Wednesday to consider Forests and Energy. L-R: Pierre-Olivier Drege, European State Forest Association; Mikael Eliasson, European Confederation of Woodworking Industries; Session Moderator Hikka Summa, EC; Kit Prins, UNECE/FAO; Co-Chair Johann Dengg; Co-Chair Alain Chaudron; Heinz Kopetz, European Biomass Association; Tim Christophersen, Convention on Biological Diversity; and Ralph Sims, IEA.

In response to participants, Sims said a group in the IEA has been charged with diffusing information beyond its membership, and drew attention to ongoing efforts such as the Global Bioenergy Partnership and the “Bellagio Sustainable Biofuels Consensus” to develop a common measure for sustainable bioenergy. He also confirmed that the social and environmental effects are factored into IPCC calculations, and concurred that the preferred approach is to prioritize timber for high value products, while using the residue and by-products for energy.

Hikka Summa, EC, presented on the EC’s energy targets for 2020. She pointed to the potential conflict between sustainability and increased use of natural resources, and suggested possible solutions, such as SFM, recycling and new technologies. She raised five questions to guide the discussion: how to manage trade-offs in forest biodiversity in the light of increased demand for wood energy production?; what role wood energy should play in climate change mitigation?; would wood energy harm the forest-based industries in Europe?; how could policy makers help the forest sector find a new equilibrium?; and what was the role for international organizations?

Tim Christophersen, Convention on Biological Diversity, underscored sustainability as a holistic concept. He said that linear tradeoffs between the three pillars of sustainable development are a fallacy, adding that trade-offs should lead to win-win outcomes and be determined through societal choice, and that landscape-level planning can offset some of the negative forest repercussions that could arise from short- and medium-term productivity gains that diminish biodiversity.

Mikael Eliasson, European Confederation of Woodworking Industries, called for clear and fair policies, an open and transparent market, free trade, a logical and constructive approach where forests take a lead, as well as a holistic view of the sector when addressing sustainability.

Noting that the current energy system in Europe is unsustainable, Heinz Kopetz, European Biomass Association, stressed the need to improve energy efficiency, save energy and use renewable energy. He pointed to young, short-rotation forests, and recommended using biomass in the region where it is produced.

Pierre-Olivier Drege, European State Forest Association, reported on state forest organizations’ commitment to SFM and their ability to increase harvests and balance wood use for biomass and traditional wood industries. He called for support for second and third generation wood fuel research and development of forest conservation models that protect soils and biodiversity, while increasing wood supply for energy.

Discussion focused on the issues of trade-offs, hierarchy of forest products use, the future potential of carbon sequestration whether in stocks or substitution, the most appropriate level for biomass use, forest fires, and how to stimulate change. Some reiterated linking sustainability criteria to SFM not to specific products, applying biomass for heating at the local level, developing policies to complement market forces, and allowing science and technology to catch up with policy.

Participants made additional comments regarding: increased production of biomass driving up world food prices; energy subsidies distorting markets; biomass accumulation in forests, which increases the risk of forest fires; the need for increased forest resource mobilization; bioenergy as both a solution and a threat; and the need to revise what constitutes SFM in the light of climate change. In response, panelists cautioned about the complexity of determining how much additional wood can be mobilized from existing stocks, how much biomass can be taken after cutting and how much should remain for soil protection, and stressed the need for increased regulation of bioenergy markets.

Co-Chair Dengg highlighted issues raised, including: wood as the most important biomass source; the intensified competition in forests from raw material and biomass uses; the potential to meet demand for energy; how to avoid sustainable development trade-offs; whether to establish a new equilibrium; and how to certify the sustainability of biofuels.

MARKET DISCUSSIONS ON SUSTAINABLE MARKETS AND ENERGY:

The market discussions on Wednesday afternoon were chaired by Co-Chair Dengg.

Olle Olsson and Bengt Hillring, Swedish University of Agricultural Sciences, presented on wood energy markets and policies, and the impacts on the forest sector. Olsson stressed heating as an important market opportunity for the wood sector and commented on the growth in the pellet market. Hillring explained that different sectors of the wood industry compete with the energy sector, and called for an open debate about balancing competing interests. The ensuing discussion focused on: the Russian technological platform to promote domestic use of modern wood technology; market mechanisms and how they will favor faster-growing industries; and how subsidies should complement regulation without jeopardizing other sectors.

Mathias Lundt, Pöyry Forest Industries Consulting, presented on sawn softwood markets and forecasts in Europe and the CIS region where production and consumption had increased. In turn, Russel Taylor, Wood Products Inc., reported on North America, where production and consumption were continuing to decrease significantly due to the US housing crisis. He predicted change in trade flows due to the increase in the Russian log export tax. Catalin Tobescu, Fordaq Timber Network, presented on sawn hardwood markets and forecasts noting an overall decrease in the UNECE region, and especially in North America due to the housing crisis, increased fuel costs and exchange rates. The ensuing discussion focused on the: low degree of diversification in the North American market for solid wood products; prices for hardwood products; misrepresentation of Russian domestic consumption in official statistics, whereas export statistics kept



Panel on *Market Discussions on Sustainable Markets and Energy*. L-R: Urs Buelmann, Virginia Tech; Ivan Eastin, University of Washington; Catalin Tobescu, Fordaq Timber Network, Romania; Russel Taylor, Wood Products Inc.; Mathias Lundt, Pöyry Forest Industries Consulting; Olle Olsson, Swedish University of Agricultural Sciences; Bengt Hillring, Swedish University of Agricultural Sciences; Co-Chair Johann Dengg; and Ed Pepke, UNECE/FAO.

by the Russian Customs Agency are accurate; and prospects of widening the UNECE market analysis to consider key players outside the region.

Ivan Eastin, University of Washington, presented on wood panels markets and forecasts. He pointed to the decline since 2006 in US housing starts and the extensive inventories of new and existing homes in the market that will have to be cleared before new construction increases. Peter Ince, US Department of Agriculture, Forest Service, highlighted the developments in the pulp, paper and paperboard industries, noting the fluctuations in production and consumption in North America and Europe. He attributed those changes to effects such as the migration of the manufacturing sector to Asia, improved exports from the US due to the weakened dollar, increased productivity, and increased demand in China. Analyzing value-added wood products, Urs Buelmann, Virginia Tech, concluded that the industry is struggling, small woodworking firms are important for domestic hardwood lumber markets, and the effects of the housing crisis have rippled through the entire wood products value chain. Discussion focused on increased investment in the Russian pulp and paper sector and its diversification, as well as concerns over the effects of the Russian export tax on pulpwood.

Co-Chair Dengg summarized the discussion, highlighting the main drivers of change in forest markets: the green building movement; branding of wood products; certification; increased use of woody biomass; and new approaches to best manage forest resources.



J. Dengg
Chairwoman II
Co-Chair Johann Dengg

POLICY DIALOGUES: Potential Sustainable Wood Supply In Europe: This policy dialogue took place on Wednesday afternoon. Chaired by Jeremy Wall, EC, the dialogue considered the results of various studies on wood supply in Europe, and proposals on the mobilization of wood supply. Sebastian Hetsch, UNECE/FAO, reported the results of a study on the potential sustainable wood supply in Europe. Matthias Dees, University of Freiburg, summarized the findings of various studies on the supply of bioenergy. Roland Beck, UNECE, presented on the mobilization and efficient use of wood and wood

Dais of the session on *Potential Sustainable Wood Supply in Europe*

residues for energy generation. On the mobilization of wood resources in Europe's forests, Morten Thorøe, CEPI, suggested: supporting the establishment of forest owners' associations and their becoming professional bodies; providing ecosystem services to the public through small private forests; and working on the contradictory perceptions of forests and wood.

During the discussion, participants observed: the lack of data on protected areas; the non-comparability of results due to a lack of documentation guidelines; the need for social rewards to mobilize small scale farmers; and a research gap on the critical threshold for biomass extraction that would not compromise forest productivity.

FORESTS AND WATER

This issue was considered in plenary on Thursday morning and was chaired by Sibylle Vermont, Swiss Federal Office for the Environment.

Paolo Garonna, Deputy Executive Secretary, UNECE, highlighted the special nature of EFW, which brought together, for the first time, forest and water experts to engage in a cross-fertilizing dialogue. He described the role of water as: running across different sectors; an issue of economic stability and global governance; and of war and peace.

In the keynote address, Christian Küchli, Swiss Federal Office for the Environment, pointed to the ecosystem services provided by forests and recommended implementing the payment for ecosystem services (PES) scheme and increasing cooperation between the water and forestry sectors.

Chair Vermont reported on work under the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention). She proposed cooperation on: PES; climate change and the development of adaptation strategies for the sustainable management of forests and water; and preparation of the second assessment of transboundary rivers, lakes and groundwaters in the UNECE region.



L-R: Hillevi Eriksson, Swedish Forest Agency; Edward Pierzgalski, Forest Research Institute, Poland; and Eric Toppan, Private Forestry Federation, France

Chair Vermont also proposed questions to guide the discussion: what are the opportunities and obstacles for cooperation on these issues and how can collaboration be fostered and in which areas?; are national strategies integrative enough?; how could the MCPFE Warsaw Declaration be promoted?; and are there any positive examples of PES, cross-sectoral cooperation and national implementation?

Gerald Steindlegger, WWF, presented on forests and freshwater, and concluded that: PES schemes have potential but must integrate social justice concerns; foresters should be open to integrated land use planning; and European forest products can have negative global impacts on freshwater resources and policies.

Hillevi Eriksson, Swedish Forest Agency, discussed some of the conflicts between water and forests, such as low water quality in rivers, obstruction of fish migration, river acidification, nutrient soil leaching from whole-tree harvesting and from increased forest fertilization to meet growing wood demand, and how these are being addressed through stakeholder councils, public excursions and establishment of demonstration centers.

Edward Pierzgalski, Forest Research Institute, Poland, reported on the "III International Conference Forest and Water" held on 14-17 September 2008 in Mragowo, Poland, as a follow-up to the MCPFE-5 resolution on forests and water, highlighting the conclusions of the conference on forests hydrology, intersectoral cooperation, climate change adaptation, and problems of mountain areas.

Eric Toppan, Private Forestry Federation, presented on cooperation between water and forest managers in France, and drew attention to the problem of improving water quality and the filtration role of forests.

Pier Zingari, European Landowners Organization, called for concrete and long-term cooperation to secure benefits for land owners who provide ecosystem services to the public, integration of their concerns in water basin management, and better decision-making tools for land-owners.

In the ensuing discussion, participants cautioned against the mismanagement of water as it can negatively affect forests. Several speakers supported adopting a holistic planning approach,



L-R: Pier Zingari, European Landowners Organization; Gerald Steindlegger, WWF; and Christian Küchli, Swiss Federal Office for the Environment

such as integrated land use planning, emphasizing focus on both spatial and social concerns. Some participants suggested: integrating water and forest issues into broader landscape planning processes; providing additional funding to the water sector even as priorities shift to climate change; developing guidelines on the production of water in forests; designing a uniform model to examine the interactions of forests, water and carbon cycles; and giving further consideration to the transboundary approach, as it is contentious.

Some drew attention to the relevance to this topic, of the UN Convention to Combat Desertification, the EC Strategic Environmental Assessment and the EU Water Framework Directive.

Several countries described national legislation and circumstances. Russia offered the use of its basic national guidelines for forest protection along waterways. Finland urged a differentiated approach to water and forest conditions in specific countries and called for further exploration of the need for sweeping pan-European guidelines on IWRM. Participants called for practical ways of implementing PES, in line with different property rights. The Organization for Security and Co-operation in Europe (OSCE) presented on current cooperation with UNECE, and urged improved governance. The MCPFE drew attention to a workshop planned for 2009 in Turkey on water-related ecosystem services, as a follow-up to the Warsaw MCPFE-5 Forests and Water resolution.

A delegate questioned whether there is readiness for forest-related PES and requested more information on best practices.

In response, panelists stressed: regulation, incentives, security of tenure, and education to balance competing interests; the need for further reduction of nitrogen deposits; stakeholder councils and their involvement in landscape planning; and holistic landscape planning to address increasing water scarcity.

Chair Vermont summarized the discussion, pointing to a need for increased information, partnerships, integration of sectors and policies, equitable PES and international forest policy to address illegal logging and deforestation.

UNECE WATER CONVENTION WORKING GROUP ON INTEGRATED WATER RESOURCES MANAGEMENT:

Sibylle Vermont, Swiss Federal Office for the Environment,



CHAIRMAN

Sibylle Vermont, Swiss Federal Office for the Environment

chaired the third meeting of the UNECE Water Convention Working Group on IWRM held in parallel with EFW from Wednesday afternoon through Friday morning, except on Thursday morning during the plenary on Forests and Water.

The Working Group started by reviewing the status of ratification of the UNECE

Water Convention, under which the Working Group is operating. The Convention entered into force in 1996, and currently has 36 parties. Participants commented on a draft concept of a guide for the implementation of the Convention, which responds to requests to facilitate accession and explain the Convention's legal,

practical and economic implications. The guide is expected to be adopted in November 2009, at the fifth meeting of the parties to the Convention.

The Working Group exchanged views on the preparation of the second assessment on transboundary rivers, lakes and groundwaters in the UNECE region. Support was given to make the new assessment more integrative, and focus, in particular, on IWRM, climate change impacts, and the Central Asian sub-region. The assessment is expected to be presented at the next "Environment for Europe" conference in Astana, Kazakhstan, in 2011.

The meeting discussed the progress report of the Joint Expert Group on Water and Industrial Accidents, and the draft safety guidance and good practices for cross-border contingency planning. Suggestions were made on improving national and transboundary coordination, and the expert group's future operation. Participants took note of the report on a workshop on transboundary accidental water pollution, liability and compensation held in May 2007 in Budapest, Hungary, and shared national information, including on the impact of recent military events in the Caucasus. The Capacity for Water Cooperation project was also reviewed. The Working Group discussed, and commended, the added value of National Policy Dialogues, a capacity-building political process under the European Union Water Initiative in four former Soviet republics.

The UNECE Secretariat informed the Working Group of the UNECE contribution to the UN system coordination on water, in particular, to UN-Water, and on ongoing preparation of the World Water Day 2009, which will be devoted to transboundary cooperation.

On Thursday afternoon, the UNECE Working Group on IWRM took up the question of ecosystem services and payments for such services. While some countries expressed interest in pilot projects, others questioned the added value of such payments. MCPFE explained the status of ecosystem services in its current work programme, and drew attention to a planned workshop on SFM and climate change.

On water and adaptation to climate change, participants noted the outcome of the UNECE workshop held in July 2008 in Amsterdam and a progress report on a draft guidance document, which will be the joint product of the UNECE task forces on



View of the working group in session

Water and Climate and on Extreme Weather Events, for possible adoption at the meetings of the parties to the Water Convention and to the 2007 Protocol on Water and Health. The authors of the report called for additional data, information and case studies from the UNECE countries, and stressed the need to downscale climate models to the regional level. Participants commented on the guidance report, with some noting that not all climate change uncertainties are taken into account. Other contributions urged improving the quality of national assessments, which sometimes differ within the same geographic areas. A delegate reported on an EU guidance document under preparation, focusing on how climate change will affect the implementation of the EU Water Framework Directive.

Germany announced a workshop, to be co-organized with the World Meteorological Organization, on flood forecasting and management tentatively planned for mid-2009. Calls were made for better management of flood response, and a suggestion was made to emulate successful examples of transboundary flood management.

The UNECE described its intensified activities in Central Asia for promoting transboundary water cooperation and IWRM, and several countries of the sub-region reported on national efforts and constraints. A suggestion was made that Italy and Germany take the lead in developing a strategic document to coordinate UNECE and EU IWRM activities in Central Asia. The management of transboundary ground waters in the UNECE region was also discussed.

On Friday morning, the Working Group reconvened for its final meeting. The Secretariat reported on progress of the Environment and Security Initiative implemented by six organizations, including UNECE, and described ongoing projects. Several participants highlighted the usefulness of the Initiative, with Spain urging more coordination with similar work under the Water Convention, to prevent overlap.

Participants welcomed the Secretariat's proposed activities on transboundary waters for the World Water Day 2009, and reported on national activities envisaged for the occasion. The Working Group decided to update the IWRM work plan for 2007-2009 in line with the evolving situation, in particular, putting on hold a proposal to hold the third international conference on sustainable management of transboundary waters. Items were proposed for inclusion in the plan for 2010-2012 and beyond, with the Netherlands advising more focus on strategic issues in the coming years, such as water and climate change. Suggestions were made on the work plan on IWRM for presentation to the Working Group at its fourth meeting to be held from 8-10 July 2009 in Geneva, Switzerland.

STRATEGIC PLAN OF THE UNECE/FAO PROGRAMME OF WORK ON TIMBER AND FORESTRY 2008-2013

On Thursday afternoon, in a joint session led by Co-Chair Dengg, plenary considered the Future Work on Forests and Climate Change (ECE/TIM/2008/7/Add.1; FO: EFC/08/7/Add.1), an addendum to the Strategic Plan of the UNECE/FAO Integrated Programme of Work on Timber and Forestry 2008-2013 (ECE/TIM/2008/7; FO: EFC/08/7).

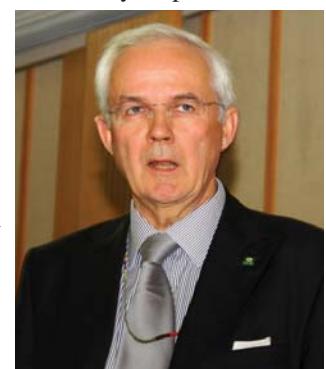
Virginia Cram-Martos, UNECE, said "our joint efforts have grown and flowered, and the tree of our efforts is strong, and even beautiful." Wulf Killmann, FAO, underscored the value of jointly considering forests, water, energy and climate change issues during EFW, and said the 2009 FAO Committee on Forests (COFO) meeting provides another opportunity to deepen consideration of the issues.

Virginia Cram-Martos then introduced the Strategic Plan (ECE/TIM/2008/7; FO:EFC/08/7), highlighting its content, the process followed in its development, and key areas of work. Delegates adopted the Strategic Plan without amendment.

FAO EUROPEAN FORESTRY COMMISSION ISSUES

On Thursday afternoon, the FAO-EFC considered its future work in a session chaired by FAO-EFC Chair Alain Chaudron.

FAO ACTIVITIES OF INTEREST TO THE REGION: Jan Heino, Assistant Director-General, FAO Forestry Department, introduced the FAO activities of interest to the region, including the FAO Strategy for Forestry (ECE/TIM/2008/8; FO:EFC/08/8). He highlighted the revised FAO Forestry Strategy mandated by COFO and the Independent External Evaluation and underscored its harmonization with ongoing FAO reforms and consistency with UN reforms. He reported on progress in elaborating the Collaborative Partnership on Forests (CPF)



Jan Heino, Assistant Director-General, FAO

Strategic Framework for Forests and Climate Change, which will be launched at UNFCCC COP-14 in Poznañ, Poland, in December 2008.

Switzerland welcomed mainstreaming forests and climate change in the CPF Strategic Framework, and expressed interest in the establishment of a forum or working group to exchange information, prioritize concepts and determine information gaps. He urged its consideration in the course of ongoing FAO reforms and welcomed comments on the proposal during COFO 2009. The Secretariat welcomed the proposal and said it would explore how it could be advanced.

RECOMMENDATIONS TO BE DRAWN TO THE ATTENTION OF THE COFO-19: Douglas Kneeland, Secretary of COFO, then invited delegates to table recommendations.

Portugal and Spain recommended consideration of the three main issues of the joint meeting, forests and climate change, water and energy, with Portugal stressing the need for interdisciplinary work on adaptation to climate change and consideration of the first assessment of forest genetic resources. Spain added the issue of forests in periurban areas, and the UK suggested cooperation of the forestry sector with other sectors.

ELECTION OF OFFICERS OF THE EUROPEAN FORESTRY COMMISSION: Delegates then elected Conceição Ferreira (Portugal) as Chair, and Alain Chaudron (France), Peter Blombäck (Sweden) and Andrey Filipchuk (Russia) as Vice-Chairs of the Bureau until the end of the Thirty-fifth session of the FAO-EFC.

Incoming Chair Ferreira thanked delegates for her election, and committed to working hard to present regional interests at the global level, including at COFO-19 and the XIII World Forestry Congress.



Conceição Ferreira
(Portugal)

DATE AND PLACE OF THE NEXT SESSION: The joint Secretariat invited parties interested in hosting the next session of the FAO-EFC to contact the Secretariat.

UNECE TIMBER COMMITTEE ISSUES

On Thursday afternoon, the UNECE-TC convened in plenary to consider its future work in a session chaired by UNECE-TC Chair Dengg.

FORMALITIES AND ELECTIONS: Delegates elected Branko Glavonjic (Serbia) as Chair, and Johann Dengg and Linda Langner as Vice-Chairs until the end of the Sixty-seventh session of the UNECE-TC. Outgoing Chair Dengg thanked the outgoing Bureau and Secretariat for the good cooperation. Incoming Chair Glavonjic promised to be very active regarding the implementation of all the Committee objectives, and Vice-Chair Langner committed to working closely with the Secretariat and member countries.

NEXT SESSION OF THE UNECE-TC: The joint Secretariat announced that the next session of the UNECE-TC will convene from 12-16 October 2009 in Geneva, Switzerland.

WORKING TOGETHER FOR FORESTS

Knust Øistad, Norwegian representative of the MCPFE, chaired Friday's plenary session on working together for forests, with two parts: working together for forests in Europe; and Europeans addressing forests in a changing environment.

Piotr Jakubowicz, Ministry of Environment, Poland, presented on forest-related developments in Europe and worldwide linkages between forests and climate change and explained how EFW relates to UN processes related to climate change, biodiversity and forests. Pointing to the multifunctionality of forests, he called for interactions with other sectors and a cross-sectoral approach to addressing challenges like climate change.

Arne Sletne, MCPFE Liaison Unit Oslo, presented on the MCPFE, its policy guidelines for SFM and conservation of biodiversity in forests, and the indicators and criteria it has developed. Referring to the MCPFE report on the State of

Europe's Forests 2007, he exemplified how conditions in Europe's forests have improved, but also pointed to increasing challenges, such as storms, fires and climate change. He stressed the timeliness of the MCPFE's work on guidelines for afforestation and reforestation; sustainability criteria for biomass production and activities to increase the mobilization of wood resources.

Kit Prins, UNECE/FAO, reviewed the 60-year history of the UNECE/FAO, highlighting its origins and the four programme pillars. He cited the reasons for the programme's success, including continuity of approach, openness to emerging issues, a participatory approach, and the future challenges that include implementing SFM in transition countries, developing cross-sectoral methods and improving communication.

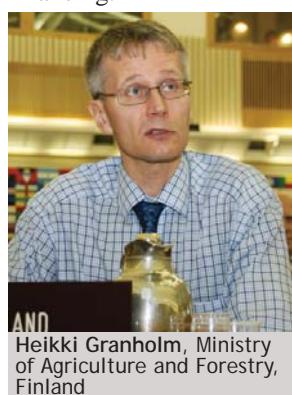


Kit Prins, UNECE/FAO

Chair Øistad highlighted questions to guide discussion: are Europe's forest sector's international activities addressing the most important needs and priorities?; are any other major issues deserving international attention?; are the activities effective and well coordinated?; and are other partnerships required?

In the ensuing discussion, Sweden and Italy stressed avoiding activity overlaps, increasing the visibility of the sector, and pursuing a cross-sectoral approach. Sweden also suggested institutionalizing the joint work of the Bureaus, and Italy underscored the importance of the national forests programme in mobilizing international resources. Russia expressed concern about the social and environmental effects of climate change on boreal forests, stressed the increased vulnerability of European forests to fires and the difference between Russia's Northern forests and those in its Southern steppes.

Delegates then considered the topic of Europeans addressing forests in a changing environment. Peter Csóka, UNFF, reported recent developments in regional and international processes regarding forests. He stressed how the work of UNFF has been stimulated by the adoption of the non-legally binding instrument on forests and of the UNFF Multi-Year Programme of Work (MYPOW). Regarding UNFF 8, he drew delegates' attention to the review of progress, the theme of forests in a changing environment and means of implementation of SFM, including financing.



Piotr Jakubowicz, Ministry of Environment, Poland

Heikki Granholm, Ministry of Agriculture and Forestry, Finland, reported on the outcomes of the Pan-European Workshop on Forests in the Changing Environment that took place from 3-5 September, 2008 in Koli, Finland. He said the objective of the workshop was to provide a European perspective on global issues, and that participants identified priority issues, and finding that they are closely related, structured them

AND
Heikki Granholm, Ministry of Agriculture and Forestry, Finland

into proposals for concrete action, regarding: communication; strengthening collaboration, coordination and coherence; mainstreaming SFM into work in other sectors, and improving forest governance.

During the discussion, Russia highlighted the benefits relating to biodiversity gained from working with Finland. Portugal suggested submitting the outcomes of the meeting in Finland to the UNFF Secretariat and group of experts, and proposed using the meeting's evaluation feedback to determine the need for future EFWs. Switzerland proposed the improvement of forest sector governance.

In summary, Chair Øistad, highlighted that: good cooperation exists among European organizations to promote SFM; cross-sectoral collaboration and mainstreaming SFM in other sectors and vice-versa are required; forest issues are high on the agenda of climate change, governance, energy and biomass issues; and the Koli workshop results would be transmitted to the expert group and UNFF Secretariat.

EUROPEAN INPUT TO UNFF 8: On Thursday afternoon, Kit Prins, UNECE/FAO, reported on the collaboration between the Secretariats of the different European forestry related bodies to prepare European input to UNFF 8. Applauding the constructive cooperation in Europe, delegates agreed to endorse the ongoing work, with the UK asking that the input focus on the main achievements in the region. Norway asked to clarify that the MCPFE has its respective mandate from the ministerial meeting in Warsaw.

CLOSING OF EUROPEAN FOREST WEEK

Jan Heino, Assistant Director-General, FAO, called the final plenary to order at 11:00 a.m. on Friday morning, and invited the Chairs of the various plenary sessions to present their reports.

On Forests and Climate Change, Co-Chair Chaudron highlighted the conclusions: SFM is not the only way of dealing with climate change; the forest sector plays an important role in climate change mitigation and in adaptation with regard to biodiversity conservation; and communication is crucial.

On Forests and Energy, Co-Chair Dengg highlighted that: forests play a key role in climate change issues; the demand for energy and its implication for forests is gaining influence; political action to promote renewable energy is the main reason for this renaissance; energy saving, efficiency and improved bioenergy are crucial to meeting the future climate change targets on mitigation; and biomass and biofuels should be certified as sustainable in order to avoid negative publicity.

Sibylle Vermont, Swiss Federal Office for the Environment, summarized the forests and water discussion, stressing that it was the first policy level meeting between representatives of the two sectors, and that this would benefit both. She noted the importance given to strengthening linkages and improving cross-fertilization, and to ensuring that national and transboundary institutions bring all actors together in order to achieve an integrated approach at all levels. PES was singled out as a key tool for IWRM, and participants voiced the need to exchange national experiences. It was acknowledged that global drivers,

such as climate change, energy, and changes in consumption and production patterns need a jointly developed response from the forests and water sectors.

Co-Chair Chaudron, reminded delegates of the work in preparation of EFW, that the week had encompassed international events in Rome, Brussels and Strasbourg and over 100 events at the national level. Co-Chairs Chaudron and Dengg presented certificates of appreciation to soon-to-retire Kit Prins and Wulf Killmann for their work on European forestry processes. Session Chair Jan Heino thanked all involved in making the inaugural EFW a success, and declared EFW closed at 11:28 a.m.

CONCLUSION OF THE JOINT SESSION

ADOPTION OF THE REPORTS: On Friday afternoon, plenary reconvened briefly to adopt the reports. Co-chair Dengg presented the draft Joint Timber Committee and European Forestry Commission Market Statement (ECE/TIM/2008/6 and FO: EFC/08/6) and draft Report of the FAO-EFC/UNECE-TC joint session (FO:EFC/TC/2008/Draft Report).

The Market Statement was presented as a package and adopted without amendments. On the Draft Report, several amendments were proposed and agreed upon, among them: mentioning the recommendations of the green building workshop; strengthening reference in COFO to forests' interaction with other sectors; adding a paragraph recognizing the workshop on forests in the changing environment (Koli, Finland, 3-5 September 2008); adding a paragraph expressing appreciation to the work of Kit Prins and Wulf Killmann for their contributions; and requesting evaluation of EFW before a decision is taken on whether to hold a second EFW in 2012. Delegates then adopted the report, as orally amended.

Report of the Thirty-fourth Session of the European Forestry Commission and the Sixty-sixth Session of the UNECE Timber Committee: The report (FO:EFC/TC/2008/Draft Report), in its introductory sections, describes the participants, lists the opening statements and outlines the chairing arrangements. This is followed by four brief sections on the topics discussed by the four plenary sessions on: forests and climate change, forests and energy, forests and water, and working together for forests. The Chair's substantive summaries of each discussion are appended to the report, as Annexes I to IV.

The report carries a short section on market discussions on the theme "Green buildings' impacts on the forest sector". The joint UNECE-TC/FAO-EFC market statement (ECE/TIM/2008/6; FO:EFC/08/6) was adopted by the joint session.

The report notes that the session adopted the Strategic Plan 2008-2013 of the integrated UNECE/FAO programme of work on timber and forestry (ECE/TIM/2008/7; FO:EFC/08/7), as well as relevant mandates and teams of specialists. It was agreed to mainstream climate issues within existing activities, while identifying needs and gaps. The report contains recommendations to UNECE and FAO to collaborate with partners, provide information, exchange experiences and develop strategies and projects in the areas of forests and climate change, forests and water, and forests and energy.

A section on specific FAO activities of interest to the region contains recommendations for the next session of COFO in 2009, and the election of new officers. Another section sets out who was elected to the Bureau of the UNECE-TC for its next session in 2009. Another section outlines a request to the Secretariat to prepare a European input to UNFF 8, presenting key achievements with a focus on regional cooperation.

The report concludes by noting the communication opportunity presented by EFW, and proposes that a decision on holding a second EFW in 2012 be taken after evaluating its results. A list of policy dialogues and partner events during EFW is annexed to the report.

Report Joint Timber Committee and European Forestry

Commission Market Statement: The Joint UNECE-TC and FAO-EFC Market Statement was prepared by an open-ended drafting committee that met on Thursday evening and consists of three parts on: an overview of forest product markets in 2008 and 2009; the economic situation; and market sector developments.

The overview of the forest product markets in 2008 and 2009 states that the housing crisis in the United States has severely depressed the North American forest products market, and the ensuing global financial crisis is also affecting markets in Europe and Russia. As a result, general forest product markets are forecast to continue falling in 2008 and the previously prepared forest product market forecasts might be subject to downward revision. Consumption is forecast to fall further in 2008 and 2009 and recovery depends on the US housing market bottoming out, expected for 2010. The market statement's overview section further sets out that: green building combats climate change, since up to 50% of global energy is used for heating and cooling, green building systems, especially wood use in construction and renovation of homes can increase energy-efficiency. It further notes that green building is becoming part of corporate responsibility and lack of uniformity in green building standards could become a constraint. It further notes that the use of wood energy is growing, constituting a means to mitigate climate change, but also leading to competition over raw materials with traditional forest based industries. It was concluded that corporate and social responsibility can have competitive advantages and that certified wood areas and products are gaining ground in the UNECE region.

Regarding the economic situation, the market statement sets out: risks of recession; problems with sub-prime mortgages and US housing starts; an expected major slow-down in construction in 2009; recovery in the forest products markets that is expected to begin where it started, namely the US; and the need for greater regulation of financial markets.

The market statement section on market sector development addresses:

- wood raw materials, noting decreased demand for sawnwood and panels in 2008 and the impact of escalating Russian export taxes on roundwood;
- sawn softwood, where the housing crisis is leading to consolidation and rationalization of production in North America and a drop of consumption in 2008 in the UNECE region, while forecasts for production and exports in 2009 are cautiously positive, as well as Russian forecasts;



L-R: Co-Chair Johann Dengg and Jan Heino, Assistant Director-General, FAO

- sawn hardwood, noting that overall production and consumption was negatively impacted, while the flooring industry continues to perform well;
- wood-based panels, with the respective sector having been dramatically impacted by the downturn in the US housing market and, as a result, European consumption and production are now exceeding North America, where panel markets are predicted to fall in 2008 and 2009, while Russian panel markets are forecast to improve;
- value-added wood products have also been negatively impacted, but wood in green building applications might constitute a competitive advantage; and
- paper, paperboard and wood pulp, with markets for these products having peaked in 2008 are expected to decline, and although prices have peaked in 2008, margins have decreased due to higher costs for transport.

ANY OTHER BUSINESS: Delegates considered the holding of a second EFW, but agreed to take a decision once an evaluation of the first EFW is completed.

Thereupon participants adopted the report, and the Chair gaveled the meeting to a close at 1.56 pm.

UPCOMING MEETINGS

INTERNATIONAL CONFERENCE ON WATER AND FORESTS: A CONVENIENT TRUTH? This conference, convened by the European Forest Institute, will be held from 30-31 October 2008, in Barcelona, Spain. For more information, contact: Ms. Mercedes Rois, European Forest Institute; tel: +34-93-268-7700; fax: +34-93-268-3768; e-mail: mercedes.rois@efi.int; internet: http://www.efi.int/portal/about_efi/organisation/regional_offices/efimed/information_and_dissemination/water_and_forests_conference_2008/

UNCCD CRIC 7 AND CST SPECIAL SESSION: These meetings will take place from 3-14 November 2008, in Istanbul, Turkey. For more information, contact: UNCCD Secretariat; tel: +49-228-8152800; fax: +49-228-815-2898; e-mail: secretariat@unccd.int; internet: <http://www.unccd.int>

THE EUROPEAN FOREST-BASED SECTOR: BIO-RESPONSES TO ADDRESS NEW CLIMATE AND ENERGY CHALLENGES?: This conference, organized under the auspices of the French Presidency of the European Union, will be held from 6-8 November 2008, in Nancy, France. It will address the roles of the forest-based sector and perspectives for the future under three main headings: forests as carbon

sinks; wood-based products as carbon pools and for energy conservation; and the forest-based sector as a source of renewable energy. For more information, contact: Jean-Luc Peyron; tel: +33-1-5370-2149; fax: +33-1-5370-2154; e-mail: peyron@gip-ecofo.org; internet: <http://www.gip-ecofo.org/nancy2008>

AD HOC EXPERT GROUP TO DEVELOP PROPOSALS FOR THE DEVELOPMENT OF A VOLUNTARY GLOBAL FINANCIAL MECHANISM/PORTFOLIO APPROACH/ FOREST FINANCING FRAMEWORK: This meeting will be held from 10-14 November 2008, in Vienna, Austria. It will elaborate proposals for the development of a voluntary global financial mechanism/portfolio approach/forest financing framework to be presented at the eighth session of the UNFF in 2009. For more information, contact: UNFF Secretariat; tel: +1-212-963-3160; fax: +1-917-367-3186; e-mail: unff@un.org; internet: <http://www.un.org/esa/forests/adhoc-SFMfinance.html>

MEETING ON REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION (REDD): IMPACTS ON INDIGENOUS AND LOCAL COMMUNITIES: This meeting, organized by the CBD Secretariat, in collaboration with United Nations University – TK Initiative and TEBTEBBA, will be held from 12-14 November 2008, in Baguio, Philippines. It will seek to compile information on potential impacts of REDD actions on indigenous and local communities and to enhance indigenous and local community participation in REDD-related decisions. For more information, contact: CBD Secretariat; tel: +1-514-288-2220; fax: +1-514-288-6588; e-mail: secretariat@cbd.int; internet: <http://www.cbd.int/meetings/>

FIRST MEETING OF THE CBD AHTEG ON BIODIVERSITY AND CLIMATE CHANGE: This meeting is organized by the Secretariat of the Convention on Biological Diversity and will take place from 17-21 November 2008, in London, UK. It will address scientific and technical matters concerning the links between biodiversity and climate change with regards to identifying risks and vulnerabilities, and impacts and opportunities from climate change mitigation. For more information, contact: CBD Secretariat; tel: +1-514-288-2220; fax: +1-514-288-6588; e-mail: secretariat@cbd.int; internet: <http://www.cbd.int/meetings/>

FIRST WORLD LANDSLIDE FORUM: This meeting is scheduled to take place from 18-22 November 2008, at the United Nations' University in Tokyo, Japan. Its objectives are to promote research and exchange of experiences; report on advances and achievements of the International Programme on Landslides and designate world centers of excellence on landslide risk reduction. For more information, contact: IPL World Centre; tel: +81-774-384110; fax: +81-774-325597; e-mail: wlf@iclhq.org; internet: <http://www.iclhq.org/WLFweb/WLF.htm>

FIRST MEETING OF THE MCPFE WORKING GROUP ON A POSSIBLE LEGALLY BINDING PAN-EUROPEAN INSTRUMENT ON FORESTS: This meeting will take place from 27-29 November 2008, in Athens, Greece, and will explore the potential added value of, and possible options for, a legally binding agreement on forests in the pan-European region. For

more information, contact: MCPFE Liaison Unit; tel: +47-64-948930; fax: +47-64-948939; e-mail: liaison.unit.oslo@mcpfe.org; internet: <http://www.mcpfe.org>

UNFCCC COP 14: The fourteenth Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) will be held from 1-12 December 2008, in Poznañ, Poland. For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int>

FOREST DAY 2: This event, co-hosted by the Center for International Forestry Research and the Collaborative Partnership on Forests, will take place on 6 December 2008, in Poznañ, Poland, to coincide with UNFCCC COP 14. Forest Day provides an international, multi-stakeholder forum on forest and climate change policies at global, national and local levels. For more information contact: CIFOR; tel: +62-251-622-622; fax: +62-251-622-100; e-mail: cifor-forestday@cifor.org; Internet: http://www.cifor.cgiar.org/Events/CIFOR/forest_day2.htm

FIFTH WORLD WATER FORUM: This meeting is scheduled to take place from 15-22 March 2009, in Istanbul, Turkey. Organized every three years by the World Water Council in collaboration with the authorities of the host country, this is the largest international event in the field of water. The main theme of the fifth forum will be "Bridging Divides for Water." For more information contact: World Water Council Secretariat; tel: +33-4-91-99-41-00; fax: +33-4-91-99-41-01; e-mail: m.giard@worldwatercouncil.org; internet: <http://www.worldwatercouncil.org/index.php?id=6>

19TH SESSION OF THE FAO COMMITTEE ON FORESTS: This meeting will take place from 16-19 March 2009, at FAO headquarters in Rome, Italy. The session will focus on forests and climate change and on the adaptation of forest institutions to change. For more information, contact: Douglas Kneeland, FAO/COFO Secretariat, tel: +39-06-57053925; fax: +39-06-57052151; e-mail: douglas.kneeland@fao.org; internet: <http://www.fao.org/forestry/37836/en/>

EIGHTH SESSION OF THE UN FORUM ON FORESTS (UNFF 8): This meeting will take place from 20 April - 1 May 2009 at United Nations headquarters in New York, USA. Agenda items include working to reach agreement on a decision on voluntary global financial mechanisms, a portfolio approach and a forest financing framework. For more information, contact: UNFF Secretariat; tel: +1-212-963-3160; fax: +1-917-367-3186; e-mail: unff@un.org; internet: <http://www.un.org/esa/forests/session.html>

FOURTH MEETING OF THE UNECE WATER CONVENTION WORKING GROUP ON IWRM: The fourth meeting of the UNECE Water Convention Working Group on Integrated Water Resources Management is scheduled to take place from 8-10 July 2009, in Geneva, Switzerland. For more information, contact: Francesca Bernardini, UNECE Secretariat; tel: +41-22-917-1234; fax: +41-22-917-0505; e-mail: Francesca.bernardini@unece.org; internet: <http://www.unece.org/env/water/>

SIXTY-SEVENTH SESSION OF THE UNECE TIMBER COMMITTEE: The next session of the UNECE Timber Committee is scheduled to take place from 12-16 October 2009, in Geneva, Switzerland. For more information, contact: UNECE/

FAO Timber Section; tel: +41-22-917-1286; fax: +41-22-917 0041; e-mail: info.timber@unece.org; internet: <http://www.unece.org/timber/>

XIII WORLD FORESTRY CONGRESS: This meeting will take place from 18-25 October 2009, in Buenos Aires, Argentina. The theme of this congress is "Forest Development – a vital balance". For more information, contact: adriana.nabulou@fao.org; tel: +39-6-570-52198; fax: +39-6-570-52151; e-mail: WFC-XIII@fao.org; internet: <http://www.cfm2009.org>

FIFTH MEETING OF THE PARTIES TO THE UNECE CONVENTION OF THE PROTECTION AND USE OF TRANSBOUNDARY WATERCOURSES AND INTERNATIONAL LAKES: This meeting is scheduled to take place from 10-12 November 2009, in Geneva, Switzerland. For more information, contact: Francesca Bernardini, UNECE Secretariat; tel+41-22-917-1234; fax: +41-22-917-0505; e-mail Francesca.bernardini@unece.org; internet: <http://www.unece.org/env/water/>

UNCCD COP 9: This meeting is expected to be held in Bonn, Germany, in the fall of 2009, in the event that no party offers to host that session and meet the additional financial costs. For more information, contact: UNCCD Secretariat; tel: +49-228-815-2800; fax: +49-228-815-2898; e-mail: secretariat@unccd.int; internet: <http://www.unccd.int>

UNFCCC COP 15: The fifteenth Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) will be held from 30 November-11 December 2009, in Copenhagen, Denmark. For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int/>

THIRTY-FIFTH SESSION OF THE EUROPEAN FORESTRY COMMISSION: This meeting is scheduled to take place in 2010. Countries interested in hosting the meeting are invited to contact the Secretariat. For more information, contact: UNECE/FAO Timber Section; tel: +41-22-917-1286; fax: +41-22-917-0041; e-mail: info.timber@unece.org; internet: <http://www.unece.org/timber/>

CBD COP-10: This meeting is scheduled to take place from 18-29 October 2010, in Nagoya, Japan. It is expected to assess achievements of the 2010 target to reduce significantly the rate of biodiversity loss, adopt an international regime on access and benefit-sharing and celebrate the International Year of Biodiversity 2010. The High-level Segment will be held from 27-29 October 2010. For more information contact: CBD Secretariat; tel: +1-514-288-2220; fax: +1-514-288-6588; e-mail: secretariat@cbd.int; Internet: <http://www.cbd.int/meetings/>

INTERNATIONAL YEAR OF FORESTS 2011: Events are expected to take place worldwide between 1 January and 31 December 2011. The UN General Assembly declared 2011 the International Year of Forests in December 2006 by resolution 61/193. The UN Forum on Forests will serve as the focal point for the implementation of the International Year of Forests, in collaboration with governments, the Collaborative Partnership on Forests and international, regional and sub-regional organizations and processes as well as relevant major groups. For more

information, contact: UNFF Secretariat; tel: +1-212-963-3160; fax: +1-917-367-3186; e-mail: unff@un.org; internet: <http://www.un.org/esa/forests/2011/2011.html>

GLOSSARY

CBD	Convention on Biological Diversity
CEPI	Confederation of European Paper Industries
CIS	Commonwealth of Independent States
COFO	FAO Committee on Forestry
CPF	Collaborative Partnership on Forests
EC	European Commission
EFW	European Forest Week
FAO	Food and Agriculture Organization of the United Nations
FLEG	Forest Law Enforcement and Governance
GHG	greenhouse gases
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IUCN	International Union for Conservation of Nature
IWRM	Integrated Water Resources Management
MCPFE	Ministerial Conference on the Protection of Forests in Europe
OSCE	Organization for Security and Co-operation in Europe
PES	payments for ecosystem services
SFM	sustainable forest management
UNECE-TC	UNECE Timber Committee
UNFF	United Nations Forum on Forests
UNCCD	United Nations Convention to Combat Desertification
UNECE	United Nations Economic Commission for Europe
UNFCCC	United Nations Framework Convention on Climate Change



Group photos with Wulf Killmann, FAO, and Kit Prins, UNECE, showing their awards in recognition of their service to the forestry process.