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ECONOMIC COMMISSION FOR EUROPE
Timber Committee

FOOD AND AGRICULTURE ORGANIZATION
European Forestry Commission

JOINT FAO/ECE WORKING PARTY ON FOREST ECONOMICS AND STATISTICS
Twenty-second session, 26-28 May 1999

Programme of work for 1999-2004

(Item 8 of the Provisional Agenda)

Note by the secretariat

The Working Party is invited to comment on those sections of the integrated programme of work which concern its activities (annex), and propose any alterations it may consider necessary. It will also be necessary to modify the programme to take account of any changes arising out of the Working Party's decisions under other agenda items.

1. In September and November 1998, the Working Party's parent bodies approved their integrated work programme, which includes the activities of the Working Party. In fact, the Working party is responsible for many technical aspects of the parent bodies' core activity, defined as "monitoring and analysis of sustainable forest management in the region" Those parts of the integrated programme which are relevant to the Working Party are reproduced in the annex. It will be seen that the Working Party is expected to contribute substantially to the implementation of five of the six priority items in the integrated programme.

2. The "principles and practices for the relations between parent and subsidiary bodies" approved in 1996 (see TIM/R.266) state among other things that "it is the responsibility of the parent bodies to lay down the broad strategic direction of the subsidiary bodies' activities. The subsidiary bodies should confine their activities to the strategy laid down by the parent bodies. However there should be scope for the subsidiary body, drawing on its specialised knowledge and experience to identify new issues and opportunities. Therefore, if the subsidiary body has suggestions about the strategic direction of its activities e.g. for a new field or type of activity, it should bring them to the attention of the parent body, which decides." The Working Party is invited to consider this aspect, in the light of its discussions under other items of the agenda, and taking account of its comparative advantage as well as the likely availability of resources.

Annex

Sections of the integrated programme of work of the ECE Timber Committee and the FAO European Forestry Commission relevant to the Joint FAO/ECE Working Party on Forest Economy and Statistics

This programme is carried out by the ECE Timber Committee (TC) and the FAO European Forestry Commission (EFC), and their subsidiary bodies, which meet approximately in a two year cycle:

- The Joint FAO/ECE/ILO Committee on Forest Technology, Management and Training (JC) (2000, 2002)
- The Joint FAO/ECE Working Party on Forest Economics and Statistics (FES) (1999, 2001)
- The EFC Working Party on Management of Mountain Watersheds (2000, 2002)
- The EFC/AFWC/NEFC Working Party on Mediterranean Forestry Questions *Silva Mediterranea* (SM) (1999, 2001)

A. CORE PROGRAMME: MONITORING AND ANALYSIS OF SUSTAINABLE DEVELOPMENT OF THE FOREST AND FOREST PRODUCTS SECTOR IN THE REGION

1.1 Collection and dissemination of information on trends in the sector, including publication of the *Timber Bulletin*

Description: Information is regularly collected and disseminated on production, trade and prices of roundwood and forest products, and forest fires.

Method of work: Statistics are collected on an annual basis from countries and published in the *Timber Bulletin*. Data collection is coordinated with FAO Rome, EUROSTAT and ITTO and the results are shared between all four organisations. The whole system is reviewed by the Joint FAO/ECE Working Party on Forest Economics and Statistics at its biennial sessions.

Duration: Continuing; **Annual outputs:** publication of 6 issues of the *Timber Bulletin*: on forest products prices, statistics on production and trade, trade flow data, the annual market review, forest fire statistics and the Committee's market discussion at its annual session.

1.2 Forest Resource Assessment 2000 (temperate and boreal forests)

Description: Information on the forest resource of the temperate and boreal zones (including developed countries outside the ECE region), will be collected and published in the context of the FAO global forest resource assessment, under the guidance of the Joint FAO/ECE Working Party on Forest Economics and Statistics.

Method of work: An enquiry was prepared under the supervision of a team of specialists, taking into account the recommendations of the Experts Consultation at Kotka (Finland) in June 1996. At all stages, the work is being carried out in close cooperation with the FAO Forestry Department and other organisations active in this area.

Duration: Continuing, review in 2003. **Outputs in 1999:** publication, database and background documentation.

1.4 Activities for countries in transition, including coordination of implementation of resolution H3 of the Helsinki Ministerial Conference (priority ranking: 6)

Description: The Committee and Commission will provide assistance to the countries in transition, in order to promote the process of economic reform and transition to a market economy in their forest and forest products sector. The topics and themes to be included in this programme shall be in line with the priorities and needs identified by the countries concerned. In particular, the Committee and the Commission will contribute to implementing resolution H3 on forestry assistance to countries in transition, by monitoring and analysing this assistance, in particular to determine whether it corresponds to countries' real needs and priorities.

Method of work: The work is guided by a team of specialists, which meets regularly. The secretariat, as international coordinator for H3, collects, stores and analyses information and reports regularly to the parent bodies and, as appropriate, to meetings of the pan European process. A data base on forestry assistance to countries in transition is maintained and its contents made available. The Committee and Commission implement a wide range of activities, notably workshops, which are scheduled and organized in a flexible manner, under two broad headings:

- Institution building, including legal and policy infrastructure;
- Development of market oriented and ecologically sound enterprises.

Duration: to 2000; **Outputs in 1998/1999:** a workshop on certification of sustainable forest management and markets for certified products in countries in transition was held in the Czech Republic in autumn 1998; a workshop on development of marketing of sawnwood products in countries in transition is expected to be held in Belarus in 1999 or 2000, pending funding. The database on forestry assistance to countries in transition, established under resolution H3 will be updated regularly and made widely available. The team will meet in 1999 in Austria.

1.5 Review of markets for forest products and short term forecasts

Description: The Committee analyses, on a continuous basis, short term trends in the production, trade, consumption and prices of forest products and forecasts short term prospects, with a view to providing Governments and the forest products sector with accurate and up-to-date information and assessments.

Method of work: The annual session of the Timber Committee reviews short term trends and prospects in the markets, on the basis of estimates provided by delegations and the *Forest Products Annual Market Review*, prepared by the secretariat, which reviews trends in the previous year. An analysis of trends and short-term outlook, approved by the Committee, is published. The Committee's market discussion also reviews trends in the markets for certified forest products on the basis of information provided by delegations on developments in their countries, and statements by experts.

Duration: Continuing. **Annual outputs:** *Annual Market Review* and the Committee's market statement at its annual session.

1.6 Outlook for the supply and demand for timber and for non-wood goods and services

Description: The Committee and Commission prepare, keep under review and regularly up-date projections and forecasts of long-term trends in production, trade, consumption and prices of forest products, and of the interaction of all of these, in order to assess the long term sustainability of the European timber supply. The Committee and the Commission will also carry out a study on the outlook for the supply and demand of the non-wood goods and services of the forest. The work is overseen and guided by the FAO/ECE Working Party on Forest Economics and Statistics.

Method of work: The fifth European timber trends study (ETTS V) was published and disseminated in 1996. The joint session in 1996 reviewed its results and discussed its implications for policy. An evaluation of the whole process was carried out by the Joint FAO/ECE Working Party. A core team on outlook studies and data, will be formed and hold its first meeting in 1998/1999. The secretariat, guided by the core team, will implement the Working Party's recommendations, as soon as the Geneva group is fully staffed.

A study, by a team of specialists, on the situation for non-wood goods and services, composed of national reports prepared according to a common format, was issued in 1998.

A team of specialists on recycling, energy and market interactions will analyse the influences and interactions of technological and legislative developments on recycling, energy and timber markets, according to the mandate in TIM/1998/5, annex 3. This analysis was the basis of the special topic at the Committee's fifty-sixth session.

Duration: Continuing. **Outputs 1998/1999:** outline for the next outlook study, workshop on recycling, energy and market interactions, Turkey, November 1998.

B. AREAS OF INTERGOVERNMENTAL COOPERATION UNDER THE AUSPICES OF THE COMMISSION AND/OR THE COMMITTEE

2.1 Joint FAO/ECE Working Party on Forest Economics and Statistics

Description: The Working Party keeps under review the needs for international statistics in the forest and forest products sector and develops programmes to meet those needs, notably with regard to improving comparability; develops methodologies for collection and analysis of information and statistics; and undertakes projects in the field of economics and statistics relating to forestry and forest products.

Method of work: The Working Party meets every two years and advises the parent bodies and the secretariat on the implementation of work in its field. In particular, it is responsible for guiding the implementation, in its area of competence, of programme elements 1.1, 1.2, 1.3, 1.5 and 1.6.

Duration: Continuing; **Outputs in 1999:** At its session in 1999 the Working Party will also review TBFRA, preparation plans for the next outlook study, consider intergovernmental cooperation and forest sector statistics.

PART II

Projects for possible implementation at a future time

(See ECE decision O (45) and Supplementary report containing the views and proposals of ECE to the Special Commission of ECOSOC, E/ECE/1150/Rev.1, para. 131)

Structural trends in markets for forest products and in the structure and capacity of forest industries

Description: The Committee and the Commission review medium-term (3-5 years) trends in the production, consumption, trade and prices of major forest products and the structure and capacity of the sawmilling and wood-based panels industries, so that governments may be continuously informed of structural trends in the forest products sectors.

Work accomplished and to be undertaken: Medium-term surveys are carried out on a 3-year rotation of sectors. These surveys incorporate as appropriate the results of surveys of the structure and capacity of major sectors (every time for panels, every other time for sawmilling). The issue of the medium-term surveys has been suspended until the Geneva staff is at full strength.