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**REVIEW OF ACTIVITIES SINCE THE SIXTY-SECOND SESSION AND PROGRAMME OF
WORK TO 2008**

(Item 6 of the provisional agenda)

Note by the secretariat

This document presents:

- The FAO/UNECE strategy for the sector in CIS and south-east Europe;
- Conclusions and recommendations of the following meetings:
 - Workshop on policy consequences of EFSOS, Budapest, Hungary;
 - First international conference of forest training centres, La Bastide des Jourdans, France; and
 - Seminar on forests: our cultural heritage, Sunne, Sweden.

FAO/ECE STRATEGY FOR THE SECTOR IN CIS AND SOUTH-EAST STRATEGY FOR THE SECTOR IN CIS AND SOUTH-EAST EUROPE

1. A strategy for FAO and ECE activities has been drawn up and discussed with many stakeholders. It was endorsed by the bureaux in April 2005 and is set out in annex I. It will provide guidance on the topic for the team of specialists which will hold its inaugural meeting in autumn 2005, and a framework and priorities for FAO and ECE activities.

2. *The Committee is invited to take note of the strategy, and provide any guidance it considers necessary.*

FOLLOW-UP TO EFSOS

3. A workshop on the policy consequences of EFSOS was held in Budapest, which produced a number of conclusions and recommendations which are reproduced in annex II. These conclusions will be presented for review to the Working party in early 2006, but some of them are addressed to the policy level, and should be drawn to the attention of the Committee.

4. *Delegations are invited to take note of the conclusions of the Budapest workshop, and consider how they might be implemented in their countries.*

SOCIAL AND CULTURAL ASPECTS

5. In the period since October 2004, two meetings have taken place in this work area. They adopted conclusions and recommendations, some of which are directed to the policy level:

- First international conference of forest training centres, Bastide des Jourdans, France, February 2005, annex III; and
- Seminar on forests: our cultural heritage in Sunne, Sweden in June 2005, annex IV.

6. *Delegations are invited to take note of the conclusions and recommendations of the Bastide des Jourdans and Sunne meetings, discuss them and indicate to what extent they will take them into account at the national level.*

Annex I

STRATEGY FOR FAO AND UNECE FORESTRY AND TIMBER ACTIVITIES IN THE CIS AND SOUTH EAST EUROPE

1. Introduction

This strategy has been prepared by FAO and UNECE, in consultation with a number of stakeholders in the forestry sector in the CIS and Europe. The purpose of the strategy is to describe the main areas where the FAO Forestry Department and UNECE Timber Section should focus future activities in the near-term in the CIS and South East Europe.¹

The strategy covers the period 2005-2010 and will be reviewed annually by the UNECE-FAO Team of Specialists on “Support and contribution to sustainable development of the forestry sector in the CIS and South East Europe” (see Annex 1). The strategy describes the main priorities for future FAO and UNECE activities in the forestry sector in this region and presents the methods that will be used to implement these activities.

2. Situation analysis

2.1. Background

During the 1990s, the countries of the CIS and Eastern Europe started the process of transition from centrally planned to market economies. In many cases, this transition has led to profound social and economic changes. However, progress with this transition has been mixed and conditions now vary enormously between these countries.

In particular, the countries that are closer to Western Europe have generally made more progress towards the development of a market economy. For example, eight countries in Eastern Europe have already progressed so rapidly that they joined the EU in 2004² after implementing numerous policy reforms across all sectors over less than a decade. Apart from these new EU members, other countries have made much less progress and remain in the early stages of the transition process or even at the beginning of the process.

At a broad level, the transition process involves a number of political and macroeconomic reforms (e.g. privatisation, changes in land ownership and property laws, etc.) that have a much larger impact on the progress towards a market economy than changes in any one sector. Indeed, reforms in the forestry sector are largely derived from these broader reforms. Furthermore, the forestry sector policies implemented in support of the transition process have differed between countries. For example, the procedures used to return state assets to their former private owners (restitution) have varied between countries, as have the areas of forests that have been returned to private ownership. However, most of the countries that have made considerable progress with the transition process share some similar features in terms of the measures that they have implemented and the other changes that have occurred as a result of the transition process (see table below).

¹ The CIS (Commonwealth of Independent States) and South East Europe is defined here to include: Albania; Armenia; Belarus; Bosnia and Herzegovina; Bulgaria; Croatia; Georgia; Kazakhstan; Kyrgyzstan; Republic of Azerbaijan; Republic of Moldova; Romania; Russian Federation; Serbia and Montenegro; Tajikistan; The Former Yugoslav Republic of Macedonia; Turkmenistan; Ukraine; and Uzbekistan. Note: all countries are UNECE members and all are FAO members except Belarus (currently applying) and Russian Federation.

² The presence of a market economy is a condition of accession to the EU so, by definition, these countries are no longer “countries in transition”. Consequently, they are not a focus of this strategy. However, they are included in some parts of the strategy, as they have valuable lessons to share with other countries in this region.

Common features of the transition process in new EU member states

The policies implemented in support of the transition process have varied from country to country. However, with respect to the forestry sector, most countries have experienced most, if not all, of the following changes:

- Reorganisation of state assets in the forestry sector, including: restitution of forest land to private forest owners; sale of forest enterprises to national and international investors; and restructuring of remaining state assets (e.g. decentralisation of forest management, more commercial management of state forest enterprises).
- Development of a private forestry sector, including: increased private-sector investment in the sector; development of private forestry sector institutions (e.g. forest owners' associations); and development of forest management and marketing skills in the private sector.
- Changes in policy and legislation to reflect greater private-sector involvement in the forestry sector and the changing role of the state from control of all forestry activities to design and implementation of forestry policy.
- Changes in forest management to reflect a greater interest in economic objectives (i.e. profitability) amongst private forest owners and state forest enterprises.
- Changes in the market framework towards prices determined by local and international markets and output decisions based on the dynamics of supply and demand.

In addition to the above, the transition to market economies has also generally led to increased integration of these economies into the global economy (i.e. increased foreign trade and investment) and greater public awareness and influence on activities in the sector.

The purpose of future FAO Forestry Department and UNECE Timber Section activities should be to assist the countries in the region to continue to develop their forestry sectors, in light of the challenges and opportunities that are presented by the transition process. In this respect, it should draw on the experiences already gained by the countries that have made most progress with the transition process (e.g. the new EU members). In addition, it should also take into account the outlook for the forestry sector in these countries. More generally, the strategy should build on the main strengths of FAO and UNECE, which are supporting information collection and analysis and technical expertise in the fields of forest management and forestry policy analysis.

2.2 Trends and outlook for the forestry sector in Eastern Europe and CIS countries in Europe

The trends and outlook for the forestry sector in Eastern Europe (including new EU members) and CIS countries in Europe have recently been analysed by the FAO and UNECE. These were published as part of the European Forest Sector Outlook Study (EFSOS)³. Some of the main results of this analysis are presented here below.

Forest products markets. Forest products markets contracted sharply during the early-1990s, in line with the general decline in economic activities in all of these countries. Since then, the forestry sector has expanded rapidly in many countries (i.e. most new EU members and, more recently, in the Russian Federation). This rapid expansion is expected to continue during the coming years across the whole of the region.

³ The detailed outlook projections are not presented here. For further details, see: UN, in press, European forest sector outlook study 1960-2000-2020, United Nations, New York and Geneva.

In the future, high rates of growth in production and consumption are projected for all of the main forest product categories (although, in general, production is expected to expand more rapidly than consumption). This expansion will be driven by the significant economic potential of the forestry sector in these countries (e.g. good access to international forest products markets, significant forest resources and cheap skilled labour). These competitive advantages have led (and will continue to lead) to increased investment in the forest processing sector in some countries in Eastern Europe, which will reinforce the expansion of international trade and changes in trade flows.

Specifically with respect to South East Europe and CIS countries in Europe, investment and market developments have lagged behind developments in the new EU members, except in the Russian Federation. Despite this, the EFSOS suggests that production and consumption in these countries will expand rapidly in the future, so long as countries continue with process of transition (i.e. policy and market reforms).

Forest resources. Over the last few decades, the ratio of removals to increment has fallen in most of Eastern Europe and, in particular, in the CIS countries in Europe (e.g. Russian Federation). However, in some countries, increases in harvesting levels since the mid-1990s have pushed the ratio up again (e.g. in the Baltic States). In the future, some countries may start to approach the limits of production growth determined by the availability of forest resources, but others (in particular, the Russian Federation) have the potential to continue growing rapidly for some time to come.

With respect to forest management, privatisation (or restitution) in many countries has resulted in the emergence of a large number of small-scale forest owners, who often lack the skills and resources to manage their forests sustainably. Furthermore, this is often compounded by the small size of the holdings, which limits the potential to achieve economies of scale in forest management. Currently, the generally low wood prices in the region are very competitive, but it is questionable whether they are sufficient to cover some of the future costs of forest management that might arise as these countries become wealthier. This problem has mostly affected the new EU members, but it highlights the challenges that other countries in the region will face as they proceed with the transition process.

The combination of rapid growth in the forest processing sector and the challenges faced by private forest owners suggests that some of the social and environmental benefits of forests in the region could be threatened in the future. For example, although the quality of forest management appears to have remained high and some problems (e.g. forest dieback) may have reduced in recent years, problems such as forest fires and illegal logging may be on the increase. These latter problems are a particular concern for South East Europe and the CIS countries in Europe. It will remain important for policymakers to identify and assess these problems and to develop appropriate strategies to deal with them in the future.

Policies and institutions. In some countries, forest administrations have redefined their roles to accommodate the social, political and economic changes that have accompanied the transition process. However, in much of South East Europe and the CIS countries in Europe, there is still a great need for policy changes and institutional reform.

The outlook also suggests that the forestry sector will face a number of economic challenges in the future (described above), plus increased demands for social and environmental benefits from forests and greater public participation in the sector. It also stresses the need for improved policy co-ordination across sectors. These challenges will require thoughtful policy analysis and policy reforms across all countries in the region.

2.3. Current status of the forestry sector in CIS countries in Asia

At the moment, very little information is available (at the international level) about the trends, current status and outlook for the forestry sector in CIS countries in Asia. To address this issue, FAO is currently implementing an outlook study that will cover this region⁴. Apart from this, the only recent comprehensive information about this region is that presented at the first Regional Forestry Congress⁵. This highlighted the following current issues in the forestry sector in this region:

- a high threat to forests from human activities and irrational utilisation of natural resources;
- the importance of integrated land management and cross-sectoral policy co-ordination;
- low forest cover and poor regeneration, requiring greater efforts towards forest protection, rehabilitation and afforestation;
- weak financing for forestry activities;
- low levels of public participation and the need for partnership and greater participation and collaboration between stakeholders in the sector;
- a need for important changes in the role of the state, in line with on-going structural and political reforms (e.g. policy, legislative and institutional reform);
- an increase in protected areas, to achieve an acceptable level of biodiversity protection; and
- a need for the inclusion of socio-economic dimensions into the development of forestry plans and policies.

Although the current level of information and analysis of this region is weak, the above information should be used to guide the FAO Forestry Department and UNECE Timber Section's strategy in CIS countries in Asia. Furthermore, the strategy should be updated when the results of the current outlook study for the region are produced.

3. Scope for FAO and UNECE activities

Any future work in the CIS and South East Europe should focus on a small number of high impact areas in which FAO and UNECE have core competencies. In addition, it should contribute to the broader aims and objectives of the two organisations. It should also avoid duplicating or overlapping with the efforts of other organisations in these countries and, where possible, complement or collaborate with existing initiatives.

3.1. Core activities of FAO

FAO's main activities are focused in the following four main areas:

- **Putting information within reach.** FAO serves as a knowledge network, specialising in the collection, analysis and dissemination of information about agriculture, fisheries and forestry. This work is implemented with countries through networks of national correspondents and experts.
- **Sharing policy expertise.** FAO has accumulated many years of experience in policy analysis, which is used to assist member countries to design and implement policies and strategies. FAO also provides a venue for countries to share experience amongst themselves at workshops and seminars.
- **Providing a meeting place for nations.** FAO provides a neutral setting where nations can come together to forge agreements on major issues related to agriculture, fisheries and forestry.
- **Bringing knowledge to the field.** FAO mobilizes resources and manages field projects on behalf of industrialised countries, development banks and others. FAO also provides technical expertise for projects and, in a few cases, small amounts of funding for projects.

⁴ The Forestry Outlook Study for West and Central Asia (FOWECA).

⁵ Regional Forestry Congress, 25-27 November 2004, Bishkek, Kyrgyzstan.

With respect to forestry in the CIS and South East Europe, the main strengths of FAO are its neutrality and objectivity, the vast amount of information held by FAO and its ability to provide a meeting place for nations (especially involving governments and other stakeholders in the sector). Other strengths include the ability to provide a regional and global perspective and to share the experience from a range of situations. Limited financial and human resources (e.g. for field projects) is a weakness, which implies that FAO should focus on high priority areas and collaboration with others⁶.

3.2. Integrated programme of work on forests and timber of FAO and UNECE

For many countries in the CIS and South East Europe, the work of FAO is co-ordinated with the UNECE and implemented through the Joint Secretariat in Geneva. The integrated programme of work on forests and timber of the FAO European Forestry Commission and UNECE Timber Committee comprises the following five “work areas”:

1. markets and statistics;
2. forest resource assessment and indicators of sustainable forest management;
3. sector outlook studies - analysis and follow-up;
4. social and cultural aspects of forestry; and
5. policy and cross-sectoral issues.

Activities in the CIS and South East Europe are specifically mentioned under work area 2 (capacity building for forest products marketing in countries of CIS and South East Europe) and work area 5 (trends in policies and institutions for the sector in CIS and South East Europe). This strategy should encompass these activities, which have already been identified as a priority by countries in the region.

4. Priority areas for future activities

Based on the assessment of the current status and outlook for the forestry sector in the region, the following priority areas for future FAO Forestry Department and UNECE Timber Section activities have been identified:

4.1. Data collection and analysis

As noted above, information about the forestry sector is not readily available at the international level in many countries in the CIS and South East Europe. Improving access to this information should be a major priority, as without it, neither the countries themselves nor the international community can assess the situation and set priorities. There are already existing mechanisms and experienced networks supported by FAO and UNECE for the collection, validation, analysis and exchange of information at the regional level. Once countries are brought into these networks, this should help them to maintain contact with other parts of the international community.

More generally, there are also few reliable quantitative and policy relevant data on the environmental and social benefits of forests available to policy makers. A number of countries in CIS and South East Europe have stressed the importance of such information, so improvements should be made in this area.

4.2. Policy and institutional reform

⁶ FAO, 2004, Meeting on the forestry programme for Central and Eastern European countries, 28-29 June 2004, Food and Agriculture Organization of the United Nations, Budapest.

There have been profound and rapid changes in forestry sector policies and institutions in many of the advanced reform countries in Eastern Europe (e.g. the new EU members). This has supported the transition process and has increased the ability of forest administrations to cope with future challenges. However, many other countries in the region are only just starting to consider policy and institutional reform. These latter countries could benefit from the experiences accumulated up to now and FAO and UNECE should support activities to share these experiences.

Cross-sectoral linkages have been identified as important in the EFSOS and at the Regional Forestry Congress. Forestry sector stakeholders should intensify the policy dialogue, by drawing the attention of other policy areas (such as agriculture, trade, environment and energy) to the social and environmental benefits of sustainable forest management and the contribution that the sector can make to overall sustainable development. FAO and ECE can assist this through their contacts with others outside the sector and their ability to work across sectors.

Forest law enforcement and governance has recently been identified as a topic requiring further investigation. Governments should ensure that acceptable standards of forest law enforcement and governance are achieved, particularly if they wish to trade with other nations where this is a concern for consumers. Technical assistance in this area is a high priority for the FAO Forestry Department and is a concern in some countries in the CIS and South East Europe.

4.3. Economic sustainability

In countries with significant forest resources, skills and access to markets, there are significant opportunities for the sector to make a major contribution to economic growth (as has already happened in some new EU members). However, the EFSOS analysis shows that such rapid growth can also threaten the long-term economic viability of forest management. Currently, this threat is felt mostly in Western Europe, where competition from the East is driving down prices and reducing forest owners' incomes. However, these concerns have already been expressed by some new EU members and the problem is likely to extend to South East Europe and CIS countries in Europe.

Future activities should identify the locations and sub-sectors where countries in the CIS and South East Europe have a comparative advantage and examine how the economic viability of forest management can be maintained and improved (including the development of payments for environmental services and improved forest products marketing). Similar activities in CIS countries in Asia may also be considered, but they are likely to require a very different approach considering the different level of economic development in many of these countries.

4.4. Social sustainability

For some countries in the CIS and South East Europe, formal employment in the forestry sector is significant and the EFSOS analysis has suggested that issues such as training, health and safety may require closer scrutiny at the national and local level. For other countries, the social contribution of the sector is more likely to be focused on informal activities that support the poorest members of society. Technical assistance in both of these areas should be a high priority for FAO and UNECE activities in the future.

4.5. Environmental sustainability

Many of the threats to environmental sustainability are specific to a few individual countries or have occurred due to short-term shocks to the sector. For example, poverty, civil disturbance or war and weak institutions have resulted in problems such as: excessive forest fires; overharvesting (notably for woodfuel); overgrazing; illegal logging; soil erosion; deforestation; forest degradation and even desertification. Furthermore, a special problem concerns the management of forests contaminated by

radioactivity (e.g. as a result of the Chernobyl catastrophe). FAO and UNECE activities to support government attempts to control these problems should be developed on an *ad-hoc* basis as and when the need arises.

In addition to this, there is a longer-term need to continue efforts to control forest fires and to intensify international co-operation in this area. FAO and UNECE should continue to assist with strengthening international co-operation in this area and to provide technical guidance about the development of national strategies for forest fire prevention and control.

5. Approach and working methods

5.1. Sub-regional priorities

It is clear that different sub-regions within the CIS and South East Europe vary greatly in terms of the challenges that they face and their capacities within the sector. Furthermore, other agencies and existing partnerships are already addressing some of these issues in different parts of the region. Therefore, for this strategy, countries in the region have been divided as follows:

- **South East Europe:** Albania; Bosnia and Herzegovina; Bulgaria; Croatia; Romania; Serbia and Montenegro; and The Former Yugoslav Republic of Macedonia.
- **CIS in Europe:** Belarus; Republic of Moldova; and Ukraine.
- **Russian Federation.**
- **CIS in Asia:** Armenia; Georgia; Kazakhstan; Kyrgyzstan; Republic of Azerbaijan; Tajikistan; Turkmenistan; and Uzbekistan.

The Russian Federation is currently not a member of FAO, but it is included in the strategy as it is a member of UNECE. If and when the Russian Federation joins FAO, the strategy should be adjusted to account for this.

It should also be noted that the new EU members should be invited to actively participate in many of the activities proposed under this strategy. Their need for assistance is much lower than in the countries of the CIS and South East Europe, but they have a huge amount of valuable experience that they can share with the other countries and their participation is clearly within the mandate of FAO and UNECE to promote international co-operation.

5.2. Working methods

The following are some of the main activities that will be supported by FAO and UNECE:

- **Information collection and analysis.** Regular and *ad-hoc* surveys of the sector on particular topics where information is not readily available. Production of national, thematic and synthesis reports on topics of high importance to decision makers. These activities are likely to account for a major share of future activities in the region. Crucial to the success of these efforts will be detailed and comprehensive guidance and support from FAO and UNECE technical staff.
- **Meetings.** Organisation of seminars and workshops to share experiences and, where appropriate, develop international co-operation in specific subject areas. Meetings are also important to establish contacts and build the capacity of national correspondents so that they can regularly reply to international requests for information (notably the annual Joint Forest Sector Questionnaire and questionnaires for the Forest Resources Assessment). This is also likely to be a major focus of future activities.

- **Collaboration.** Collaboration between countries and with partner organisations will be essential to mobilise resources and maximise the impact of activities. Teams of specialists and networks of experts will continue to play an important role in the implementation of FAO and UNECE activities.
- **Field projects.** FAO field project resources are scarce and UNECE have no such resources. Thus, proposals for field projects must be focused on countries where the needs are high and alternative sources of support are limited. Furthermore, projects are likely to be of a short-term nature to meet unforeseen needs. Field projects are unlikely to account for a major share of future activities. However, FAO and UNECE will actively pursue opportunities to provide technical assistance to projects (in the priority areas listed above) that are funded from national and other international sources.
- **Training.** Small amounts of training may be provided as and when required, but this is likely to account for a very small share of future activities. Training should include both FAO-UNECE sponsored events and opportunities for short-term placements within the two organisations (e.g. under the FAO Academic and Volunteers Programmes).

With respect to the arrangements for co-ordination between FAO and UNECE, the annual meeting of the Team of Specialists will be the main venue for presenting the on-going activities of the two organisations and identifying, in detail, future priorities and activities for countries in this region.

A rolling two-year work-programme will be prepared each year, describing the outcomes that countries wish to achieve and the activities that FAO and UNECE will implement in support of these outcomes. This work-programme (see Annex 2) will be reviewed, modified and endorsed by the Team of Specialists and will then be passed for endorsement to the subsidiary bodies of the organisations (e.g. FAO European Forestry Commission and the UNECE Timber Committee).

5.3. Resource mobilisation

The majority of resources available for the implementation of this strategy will come from the existing FAO and UNECE Regular Programmes, with small amounts of funding from the FAO Technical Co-operation Programme (TCP) where possible. It is extremely unlikely that these resources will increase in the future, so activities should continue to aim to maximise value-for money and complementarity with existing projects and the initiatives of others. In particular, it also seems likely that activities will continue to rely on significant inputs from national authorities.

FAO and UNECE have had some success in attracting additional funding from other agencies and will continue to explore the opportunities for co-funding and pooling resources. To date, most extra-budgetary funding has been obtained in an opportunistic way rather than in a systematic manner (e.g. when countries have come to FAO or UNECE and offered to support an activity). In the future, a more systematic approach to resource mobilisation will be attempted and the Team of Specialists is expected to play a major role in this respect.

5.4. Partnerships and synergies

There are a few major institutions already working on forestry issues with countries in the region, most notably the European Commission and World Bank. FAO and UNECE will ensure that the implementation of this strategy does not overlap with these efforts, but will focus on the priority areas above in the countries that need most support. Furthermore, as noted above, FAO and UNECE will actively pursue opportunities to work together with these agencies on projects of mutual interest.

In addition to this, FAO and UNECE will continue to work closely with other major stakeholders in the region (MCPFE, industry associations, other international organisations and non-governmental organisations) and will continue to support and encourage national authorities that wish to work in partnership on these topics.

6. Summary

The table below summarises the main components of the strategy. The summary is deliberately very general, indicating the broad topics, sub-regions, activities and main partners that will be involved in the implementation of the strategy. More focused and detailed proposals for activities will be developed and submitted to the Team of Specialists each year.

STRATEGY FOR FAO FORESTRY ACTIVITIES IN SOUTH EAST EUROPE AND CIS 2005 – 2010

Topic	Priority sub-regions	Main activities	Resources	Potential partners
Data collection and analysis				
Basic data collection	CIS in Europe CIS in Asia	Surveys	RP	
Environmental and social benefits	All sub-regions	Surveys and reports	RP, EXT	EC, WB
Policy and institutional reform				
Reforms associated with transition	All sub-regions	Meetings	RP, PF, EXT	WB, ADB (Asia)
Cross-sectoral policy linkages	All sub-regions	Meetings and reports	RP, EXT	EC
Forest law and governance	South East Europe CIS in Europe	Meetings and reports	RP, EXT	EC, WB
Management of State forests	All sub-regions	Meetings and reports		
Management of change	All sub-regions	Meetings and reports		
Economic sustainability				
Studies of comparative advantage	CIS in Europe Russian Federation	Reports	RP	UNDP
Forest products marketing	South East Europe CIS in Europe	Meetings and reports	RP	?
Social sustainability				
Employment issues	South East Europe CIS in Europe Russian Federation	Reports and training	RP	?
Forestry and poverty alleviation	CIS in Asia	Meetings and reports	RP	WB, ADB
Environmental sustainability				
Response to specific problems	CIS in Europe Russian Federation CIS in Asia	Meetings and projects	RP, PF	UNEP
Forest fires	South East Europe Russian Federation	Meetings and projects	RP, PF	

TERMS OF REFERENCE FOR TEAM OF SPECIALISTS

UNECE / FAO TEAM OF SPECIALISTS ON SUPPORT AND CONTRIBUTION TO SUSTAINABLE DEVELOPMENT OF THE FOREST SECTOR IN THE CIS AND SOUTH EAST EUROPE Reference to Integrated Work Programme: Work Area 5, Programme element 5.3; and Work Area 1: Programme element 1.3	
A. OBJECTIVES	
<p>Enhance effectiveness of international activities intended to support and contribute to sustainable development of the forest sector in CIS and south east Europe, notably through:</p> <ul style="list-style-type: none"> • Development of a viable and efficient private sector, specifically addressing the needs of forest owners and small scale forest industry enterprises • Enhancing the capacity of public sector institutions especially to provide an effective policy and institutional framework; • Strengthening integration of forestry with other sectors taking into account the cross-sectoral issues; • Improving the sharing and exchange of data, information and knowledge; and • Identifying emerging issues, facilitating dialogue and discussion and monitoring of the changing situation in the region. 	
<p>EXPECTED MAJOR OUTPUTS:</p> <p>The team will identify priority issues in CEEC and CIS and promote a transparent regional discussion of priorities and best practice in reforming policies and institutions in the sector. It will be consulted on the formulation of a strategy for FAO activities for the forest sector of countries in this region. It will advise the UNECE/FAO Secretariat, on the implementation of their programmes within the framework of the integrated programme of work. It will</p> <ul style="list-style-type: none"> • Assist in the formulation of appropriate activities; • Provide feed back on the effectiveness of the various initiatives; • Assist in resource mobilisation in support of the various activities; • Contribute to the sharing of knowledge and information. 	
B. BACKGROUND	
ESTABLISHED/ APPROVED BY	Joint session of the UNECE Timber Committee and FAO European Forestry Commission, Geneva, October 2004
DURATION	From 2005 to 2008
METHODS OF WORK	<ul style="list-style-type: none"> • Meetings and recommendations to the secretariats, • Intensive communication among the members <p>Modalities of work (schedule of meetings, communications, possible subgroups or special projects) will be determined by the team at its first meeting. Partnerships will be established with relevant governmental and non-governmental organisations, notably MCPFE.</p>
REPORTING	Once a year: to the Joint Bureaux Meeting of UNECE Timber Committee and FAO European Forestry Commission
TEAM LEADER	To be chosen at inaugural meeting.
TEAM MEMBERS	Nominations will be invited from Governments and other stakeholders. The team should be balanced between stakeholders and regions.
RESPONSIBLE SECRETARIAT MEMBER	Volker Sasse, (SEUR, Budapest), FAO

WORK-PROGRAMME FOR DETAILED IMPLEMENTATION OF FAO-UNECE FORESTRY STRATEGY

The meeting which agreed on this strategy ⁷ prepared the table below. The table presents in more detail the activities that might be implemented by FAO and UNECE in the future. It is expected that, in the future, the work-programme will contain an agreed and endorsed set of outcomes, detailed actions and partners that will participate in each activity, arranged under the topics identified in the strategy.

Programme element and • Expected outcomes	FAO/UNECE leading institutions (partners)	C - core activity (regular staff and funds) E – external funds
A. Assistance to forest owners and small scale forest industry enterprises		
A1. Improved management and marketing skills of “new” private forest owners	UNECE, (FOP, FOR, SEUR)	C E
A2. Strengthened private forest sector institutions (associations)	FON (CEPE, SEUR)	C
A3. Advanced social and environmental benefits from private forests	FON (IUCN, SEUR)	E
B. Strengthening the policy and institutional framework of the forest sector and support to state forest management		
B.1 Increased public awareness and participatory policy decision making	SEUR (FON)	C
B.2 Improved integration of forestry in rural development using a cross-sectoral approach	FON (SEUR)	E
B.3 Improved investment climate for the forest sector, taking into account social and environmental benefits of forestry land use	SEUR (FOP, FON; UNECE)	E
B.4 Sustainable forestry management of state forests, improved economic efficiency	FOR (FON, SEUR, UNECE)	C
B.5 Progress in land consolidation	SEUR (FON, SDA)	C
C. Foster data and information exchange		
C.1 Improved international data and information exchange, support access to external funds	UNECE (SEUR, FO)	E
C.2 Monitoring developments of state institutions and the legal framework for forestry land use	SEUR (UNECE, FON)	C
C.3 Monitoring assistance activities in the forest sector of CEEC and CIS and analysis of niches for FPPE activities	UNECE (SEUR, FON)	C

⁷ FAO, 2004, Meeting on the forestry programme for Central and Eastern European countries, 28-29 June 2004, Food and Agriculture Organization of the United Nations, Budapest.

Annex II

CONCLUSIONS AND RECOMMENDATIONS WORKSHOP ON THE POLICY CONSEQUENCES OF EFSOS

Conclusions

The EFSOS process is needed as:

- Base for policy decisions
- Contribution to sustainable development
- “Promotion tool” for forest sector, and influence on public perceptions of forest issues
- Most countries are unable to gather and use this information by themselves
- Input to international processes (MCPFE, EU etc.)

The EFSOS conclusions were welcomed particularly with regard to the following issues:

- Shift of production towards the East
- Economic viability of forest sector
- Potential to raise production in Europe
- Promotion of the use of wood as an environmentally friendly energy source and material
- Intensification of the inter-sectoral coordination and the cross-sectoral dialogue
- Increase of importance of the social and environmental benefits provided by forests

From their point of view as technical experts, and speaking on their own behalf only, the participants considered that, among the policy recommendations in EFSOS, the following are of the most critical importance:

- Economic viability of the forest sector, including the cross-sectoral approach
- Role of forests in energy and climate change
- Supply of non-wood goods and services, including their remuneration and monitoring

Recommendations

Future actions:

- Assessments should be carried out more frequently
- ECE/FAO should assess developments from 2000 to 2005 in comparison to EFSOS projections
- A global outlook study should be prepared as a context for regional outlook studies, especially with regard to rapid developments on the global level which have a strong influence on European developments
- Analyze consequences of increasing demand for wood energy for the forest sector
- A group should be formed to continue to develop the concepts and methods for future EFSOS work, working alongside modeling groups, because
 - Modelers require policy support for their funding applications
 - Lead times are long

Methodological improvements

- Improved modeling and empirical base
- Full support for cross sectoral approaches
- Improved analysis of policy scenarios
- Better understanding of functioning of policy institutions (e.g. performance standards)
- Better link between analysis and policy recommendations
- Topics deserving greater attention (without neglecting core analysis)
 - Evaluation of NWGS and incorporating this information in policy processes
 - Water and forest
 - Forest and wood in climate change policy
 - Structural changes in employment and the forestry work force
 - Value added in the sector

Country level actions

- The EFSOS country profiles are a useful tool for presenting the outlook, and their format should be maintained

Countries are invited to review the EFSOS country profiles in a formal process and inform the secretariat of the results.

Annex III

CONCLUSIONS AND RECOMMENDATIONS FIRST INTERNATIONAL CONFERENCE OF FOREST TRAINING CENTRES

Key messages

- If we want sustainable forest management, we need a sustainable workforce.
- Networking can help training, and training can help networking (Learning how to network).
- Forestry networks need to be linked. Information is available but not coordinated because there is no common database.
- Local experiences are not valorised enough.
- Information sources are fragmented.
- Qualification standards are missing or incomplete at a European level.
- The certification of the training centres and/or providers is a significant advantage.

Recommendations to the member countries and to the European organisations

The European Commission (Leonardo da Vinci programme) is invited to provide the database of the forestry Leonardo programmes (products, programmes currently in use and new requests). This database could be consulted from the Eduforest website. Disseminating this information can only encourage the valorisation of existing products, new partnerships and will insure that the new products will be innovative. This will also allow the Leonardo Commission to choose only relevant projects.

The member countries and European Institutions are invited to do everything possible to make the concrete decisions of the 1st conference a reality, and so that ongoing activities will followed up and realized in months and years to come. They are in particular invited to take into account these same conclusions, recommendations and decisions during the next debates to elaborate the definition of the new European forestry strategy further to the report which the Commission will present soon according to the Parliament Resolution of December 15th, 1998.

They are asked to support training centres in their effort in favour of SFM to satisfy the expectations. They are invited to provide the necessary funding in order to hold such conferences as well as initiatives designed to promote forestry training. In the immediate future, it will be useful to provide the necessary funding to consolidate the partnerships that the forestry centres have taken the initiative to create with their partners.

Training is a driving force which is indispensable for the development of the competencies for SFM. The European forestry sector has everything to gain from a harmonious development of training among the member countries. Actions which move us in this direction should be encouraged.

The Joint FAO/ECE/ILO Experts Network is invited to raise the awareness of the members of the European Parliament about the necessity of a forestry policy which gives to forestry training the high priority that it merits, in the framework of social and cultural aspects of SFM. In each country, training centres should lobby the representative of the European Parliament to obtain this.

Recommendations to the Joint FAO/ECE/ILO Experts Network

The Experts Network is invited to officially disseminate the outcomes of the conference to the national and international authorities, and to follow up the taking into account of the conclusions, the recommendations and the decisions.

The Joint Experts Network is invited to pursue its efforts in favour of forestry training, especially promoting partnerships and networking. A coordinating structure is actually necessary to promote the implementation of the outcomes. Networking will enhance exchanges, information and best practices sharing while respecting each partner's culture, language, and social aspects.

The Experts Network is invited to organise such a conference every two years. Switzerland proposes holding the next meeting.

Annex IV

CONCLUSIONS AND RECOMMENDATIONS SEMINAR ON FORESTS: OUR CULTURAL HERITAGE

Conclusions

Nearly all Europe's forests are shaped by the activities of human generations over centuries and millennia. Social and environmental factors have come together to create the forests of today. They are part of Europe's identity and our generation's cultural heritage: we owe it to past and future generations to develop our forests in harmonious relation with the landscape.

The cultural heritage is first and foremost vested in the local owners and users of the forest. In addition many other actors may have a role to play. Rural depopulation and the retreat of agriculture, along with other economic and social pressures are changing the composition of forest cultural landscapes. In some areas, this has led to loss of pastures and the biodiversity developed over millennia, and other open spaces in increasingly forest dominated landscapes. The implications of these changes are often difficult to assess and integrate into forest management decisions.

Threats to forest cultural heritage include:

- the weakening of the transmission of the knowledge of the forest cultural heritage between generations;
- damage to cultural sites in forests by inappropriate use of modern mechanised silvicultural and harvesting methods.

The cultural heritage includes the bio-cultural heritage, which is the biological manifestation of human activity in the landscape, e.g. traditional farming and forestry practices. These have contributed in most cases both to harmonious cultural landscapes and to enriched biodiversity. Currently, only a few countries have started to investigate the complex processes underlying the forest bio-cultural heritage and to propose conservation methods and principles.

Vienna Resolution V3 lays down the broad lines of action for the cultural and spiritual heritage, but these general principles need to be translated into more specific and action oriented guidance. There is also a need to raise awareness of these issues, inside and outside the sector, including among policy makers, so that the actions taken have broad support from a wide range of stakeholders. Whereas some issues, such as the need to protect tangible signs of the cultural heritage in forest areas (e.g. archaeological sites), are relatively well understood in many countries, others, such as the intangible elements, are not well understood, and therefore receive insufficient attention. MCPFE Indicator 6.11 on Cultural and spiritual values will provide objective but simplified information on one aspect of these issues (protection of cultural sites), but does not cover the whole domain.

In many cases, actions concerning the forest cultural heritage would make an important contribution to sustainable rural development.

Site specific strategies, based on multi disciplinary consultation, and mobilising resources and political support from a wide range of stakeholders, can promote the sustainable development of rural landscapes. Such strategies could be based on rural tourism and the rediscovery of rural lifestyles and crafts, but must be socially, ecologically and economically viable.

Cultural and spiritual issues related to forests should be approached in a cross-sectoral perspective. In addition to the forest sector, many other actors can contribute, including local authorities, heritage authorities, rural development, tourism and biodiversity conservation agencies, environmental, cultural and social NGOs and the scientific community.

In many countries, the location, type and number of cultural heritage sites are not well known: a necessary precondition to action is a good knowledge of the size of the issue. Concepts and definitions are also not clear.

Recommendations

For the international and pan-European level

1. The MCPFE Expert Level Meeting in September 2005 should set up an advisory group to prepare proposals for guidance to countries on implementing Resolution V3.
2. Other agencies, notably UNESCO and Council of Europe (CoE) and IUFRO, should be invited to take part in future international activities on cultural and spiritual dimensions of sustainable forest management; care should be taken to avoid duplication of activities and learn from the experience of these organisations.

For the national and regional/local level

3. Forest agencies and authorities should strengthen their capacity to define and achieve goals in the cultural and spiritual fields, including the commitments of resolution V3, notably by assessing their strategies and priorities in this area and by engaging relevant specialists.
4. The full and active support of all stakeholders, notably the forest owners, should be obtained at the initial stages of preparing national, regional or local strategies.
5. There is a need for awareness raising, education and research in several areas, including the bio-cultural heritage and conservation of the intangible cultural heritage (oral traditions, traditional forest related knowledge etc.). Targeted communication strategies may be necessary.
6. Forest authorities and agencies should clearly define their research and development needs in the field of cultural and spiritual dimensions of sustainable forest management.
7. Cooperation and dialogue between forestry and heritage authorities should be strengthened and put on a regular basis.
8. All actors concerned should work towards a better understanding of the linkages between cultural and biodiversity conservation issues.
9. Conservation and sustainable use of the bio-cultural heritage should be included in forest and landscape management strategies. More countries should investigate the complex processes underlying the forest bio-cultural heritage and propose methods and principles.
10. Countries should take measures to enable them to provide information for MCPFE indicator 6.11 by 2006. In this context, those responsible for providing the information to MCPFE should consult widely in their countries.
11. Governments should carry out an inventory or gather information in another way on their forest related cultural sites, in a practical and usable form (GIS, GPS, databases) which can help machine operators avoid cultural monuments in forest areas.