



**Economic and Social
Council**

Distr.
General

ECE/TIM/2005/2
16 November 2005

Original: English

ECONOMIC COMMISSION FOR EUROPE
TIMBER COMMITTEE

REPORT OF THE COMMITTEE ON ITS SIXTY-THIRD SESSION
(27-30 September 2005)

Highlights of the Session

- The Committee together with the FAO European Forestry Commission held a policy forum on “Forest Certification-Do Governments Have a Role?”;
- The Committee reviewed and forecast markets for forest products, focusing on “Forest certification policies’ influence on forest products markets in the UNECE region”, and approved a market statement;
- The Committee adopted its work programme and approved a proposal for the strategic framework for its work for the UN programme plan for 2008-2009 (annex I);
- The Committee was informed about the UNECE reform process and made a proposal for future work (annex II);
- The Committee reviewed the UNECE/FAO contribution and role in the global and regional forest dialogues in a changing international environment.

Introduction

1. The UNECE Timber Committee held its sixty-third session at Geneva from 27-30 September 2005. The session was attended by representatives of Austria, Belarus, Belgium, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Norway, Poland, Portugal, Romania, the Russian Federation, Serbia and Montenegro, Slovakia, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Turkey, United Kingdom of Great Britain and Northern Ireland, and the United States of America. Representatives from Brazil, Ghana and Malaysia also attended the session.
2. A representative of the European Commission attended the session. The Liaison Unit of the Ministerial Conference for the Protection of Forests in Europe (MCPFE) was also represented.
3. Representatives from the Food and Agriculture Organization of the United Nations (FAO), the United Nations Conference on Trade and Development (UNCTAD), the UN Forum on Forests Secretariat (UNFF) also attended the session.
4. The following intergovernmental organizations were also represented: European Forest Institute (EFI) and International Tropical Timber Organization (ITTO).
5. The following non-governmental organizations were represented: Association Technique Internationale des Bois Tropicaux (ATIBT), Confederation of European Paper Industries (CEPI), International Centre for Trade and Sustainable Development (ICTSD), International Organisation for Standardization (ISO), International Union of Forest Research Organizations (IUFRO), Pan African Forest Certification (PAFC), Programme for the Endorsement of Forest Certification Schemes (PEFC), European Panel Federation (EPF), Silviculture Union of Southern Europe (USSE) and the World Wide Fund for Nature International (WWF).
6. Mr. H. Pajuoja (Finland), Chairman, opened the session. A minute of silence was observed in the memory of Mr. Jean Fahys (France), Organization of European Sawmilling Industries (OES) and long time delegate to the Timber Committee. Mr. Paolo Garonna, Deputy Executive Secretary and officer in charge of UNECE, welcomed the delegations to the Committee.

Adoption of the agenda (Item 1)

7. The provisional agenda (ECE/TIM/2005/1) was adopted.

Matters arising from the sixtieth session of the Economic Commission for Europe of relevance to the Committee (Item 2) (TIM/2005/1)

8. The Committee took note of the results of the Commission session and of the decisions relevant to its work. It was informed about progress on the UNECE reform and agreed to review proposals for future work when discussing the programme of work under item 6 of the agenda. It approved a proposal

for the strategic framework for the timber subprogramme for the UN biennial programme plan for the period 2008-2009 (see annex I).

9. The Committee was informed of preparations for the seminar on environmental services and financing for the protection and sustainable use of ecosystems to take place on 10-11 October 2005 under the sponsorship of the Swiss Agency for Environment, Forests and Landscape and the UNECE secretariat of the Water Convention. Further information on the seminar may be found at http://www.unece.org/env/water/meetings/payment_ecosystems/seminar.htm. The theme is linked to a workshop on "Forests - Common Benefits, Shared Responsibilities, Multiple Policies" (17-19 October 2005, Riga, Latvia) organised by UNECE, FAO, and the MCPFE Liaison Unit Warsaw, with support by the Governments of Switzerland and Latvia which will explore cross-sectoral aspects of the forest and timber sector.

10. Mr. E. Mikkola (IUFRO) briefed the Committee on the Global Forest Information Service (GFIS) and on IUFRO activities.

UNECE/FAO in a changing international environment: briefing and discussion of recent developments (Item 3) (TIM/2005/2)

11. The Committee considered its role and strategic direction in the light of the changing international environment, and on the basis of briefings on activities of FAO, the UN Forum on Forests (UNFF) and the Ministerial Conference on the Protection of Forests in Europe (MCPFE). It was also informed of cooperation with EU institutions.

12. The Committee confirmed the value and mutual benefit of the cooperation at the pan-European level between MCPFE, the FAO European Forestry Commission and the Timber Committee where each organisation's role was clear and close cooperation ensured synergies and avoided duplication. It considered this arrangement to be a good example of regional cooperation to promote implementation of sustainable forest management. It welcomed FAO's work to strengthen the role of its regional forestry commissions, and to ensure good communication between them and the Committee on Forestry (COFO). It expressed a willingness to contribute, with its partners, to a regional dimension of the International Arrangement on Forests, if so agreed. It stressed that each region should organise its cooperation according to regional conditions, basing the regional arrangements on existing institutions and avoiding any duplication.

Market developments in 2005 and prospects for 2006 (Item 4) (TIM/2005/3)

13. The Committee reviewed the markets on the basis of the Forest Products Annual Market Review 2004-2005, country statements and national forecasts for 2005 and 2006, as well as expert presentations. The theme of the discussions was "Forest certification policies' influence on forest products markets in the UNECE region". The session approved a market statement for subsequent publication and wide distribution. Expert presentations were given by: Dr. Ewald Rametsteiner, Institute of Forest Sector Policy and Economics, Austria; Mr. Pierre-Marie Desclos, Forest Products Consultant, Italy; Dr. Mike Packer, Timbmet, United Kingdom; Dr. Eric Hansen, Oregon State

University, USA; Mr. Dieter Hesse, UNECE; Mr. Stefan Karlsson, National Board of Forestry, Sweden; Dr. Hakan Ekström, Wood Resources International, USA; Mr. Sylvain Labbé, Q-WEB, Canada; Mr. Denis Sokolov, Confederation of Associations, Enterprises and Organizations of Forestry Complex of Northwest Russia, Russian Federation; Mr. Yves Costrel, Fédération Nationale du Bois, France; Mr. Steffan Rathke, German Sawmill Industry Association, Germany; Mr. S.K. Tham, Malaysian Timber Council, Malaysia; Mr. Jeff Serveau, CanadaWood, Canada; Mr. Laslo Döry, European Panel Federation; Prof. Eduard Akim, St. Petersburg State Technical University, Russian Federation; Mr. Paul-Antoine Lacour, AFOCEL, France; Mr. Tapani Pahkasalo, Savcor-Indufor, Finland; and the secretariat.

POLICY FORUM:

Forest Certification-Do governments have a role? (Item 5) (TIM/2005/4)

14. The Committee, together with the FAO European Forestry Commission, held an in-session, one-day policy forum on governments' roles in forest certification for sustainable forest management in order to share views between governments, trade associations, national and international organizations. The forum found that national, regional and local governments have very different roles in forest certification. Governments sometimes have difficulty coordinating policies for different sectors. Expert presentations were given by: Dr. Carrie Denise Ingram, USDA Forest Service, USA; Ms. Malin Andersson, National Board of Forestry, Sweden; Mr. Erik Albrechtsen, Dalhoff Larsen & Horneman A/S, Denmark; Mr. Ulrich Bick, Bundesforschungsanstalt für Forst- und Holzwirtschaft, Germany; Mr. Christer Arvius, National Board of Trade, Sweden, and Chairman, UNECE Working Party on Regulatory Cooperation and Standardization Policies; Mr. S.K. Tham, Malaysian Timber Council, Malaysia; Mr. Kevin McKinley, International Organisation for Standardization, and the secretariat.

15. Participants agreed on the following general conclusions:

- A. All governments may have a role with regard to forest certification, although the nature and extent of the roles performed varied widely between countries, according to their circumstances and political principles. Examples of roles played by Government would include:
 - a. Forest owner
 - b. Buyer/consumer of forest products
 - c. Contributor to capacity building in the field of certification
 - d. Support, including financing, to drafting national standards and putting in place the necessary institutions
 - e. Moderating between competing schemes
 - f. Providing assurance of a level playing field in international trade and on domestic markets

- B. Governments should endeavour to remain neutral between competing schemes.
- C. Governments and other stakeholders should refocus on the commonly shared objective of promoting sustainable forest management, and especially combating deforestation. Certification is only one tool to achieve this objective.
- D. Certification offers an opportunity to promote the sound use of wood: this opportunity should be grasped, by governments and other stakeholders.
- E. There is growing concern among governments and industry about the continuing fierce competition between schemes, which is seen as weakening the image of wood as an environmentally friendly material. Industry representatives also expressed concern about emerging differences between public procurement policies in different countries leading to possible distortion of competition and effects on trade.
- F. The lack of information on the production, consumption and trade of certified forest products hampers policy makers, analysts and market actors.

16. The Committee suggested that the next UNECE/FAO policy forum should address the issue of public procurement policies with emphasis on market aspects. Topics could include the use of public procurement policies to promote sustainable forest management (domestic and in other countries), the principles and practice of public procurement, avoiding discrimination and market distortion, while achieving policy objectives. The forum will be organised in Geneva in connection with the sixty-fourth Timber Committee session in cooperation with FAO.

17. The Committee's session asked the Working Party on Forest Economics and Statistics, with FAO, ITTO and other partners to consider how to improve the quality of data on the production, consumption and trade of certified forest products.

18. The Committee welcomed the fact that the secretariat would shortly make available the presentations and discussions of the policy forum in a UNECE/FAO Timber and Forest Discussion Paper.

Review of activities since the sixty-second session and programme of work to 2008 (Item 6)
(TIM/2005/5 and Add.1)

19. In the context of the UNECE reform process, the Committee considered a proposal by its Chairman that the Timber subprogramme "expand its monitoring and analysis activities to include policy and institutions of the forest and timber sector, which are not at present monitored consistently by any body, with the aim of providing better information, identifying development trends in policies and how they are implemented, and supporting capacity building as regards forest sector institutions through exchange of experience." (see annex II)

20. It thanked the Chair for making this proposal and welcomed the opportunity to contribute to the process of UNECE reform. Many delegates approved the proposal, believing that if resources were transferred to areas where UNECE has a comparative advantage, the Timber subprogramme could be

strengthened by widening the scope of its monitoring activities to cover the essential element of policy and institutions. There was a gap in the international coverage of this aspect, and continuity and expertise is needed to develop and implement a high quality service for member countries. Naturally, all such activities should be carried out in cooperation with the Committee's partners, notably the FAO European Forestry Commission and the MCPFE, which expressed its full support for the proposal.

21. In view of the complexity of the proposal and the fact that delegations had had little time to consider the proposals before the session, it was agreed that it should be circulated for comment by heads of delegation. The responses should be transmitted to the bureaux and to those leading the UNECE reform process.

22. The Committee took note of the FAO/UNECE Strategy for the sector in the CIS and south-east Europe and agreed to include ILO as a partner agency under heading 4.4, social sustainability, of priority areas for future activities. It also took note of recommendations from the Budapest workshop on EFSOS, and two other meetings: on forest training centres, La Bastide des Jourdans, France and on forests: our cultural heritage, Sunne, Sweden.

23. The three meetings listed above had been included in the MCPFE programme of work. The delegate of MCPFE noted that MCPFE was a political body which relied on partners for implementing the Ministerial Conferences recommendations and highlighted the fruitful cooperation with UNECE and FAO.

24. The Committee was informed of the implementation of the UNECE/FAO integrated programme since its last session, according to the modalities agreed at the previous strategic review. The Committee adopted its programme of work as set out in annex III.

25. The Committee thanked all those countries which had contributed to the work in the past year, through hosting meetings, seminars or workshops, technical excursions or by providing support to the secretariat team through contributing funds, loan of experts, interns or in other ways.

Election of officers (Item 7)

26. The Committee re-elected Messrs. Heikki Pajujoja (Finland), as Chairman and Gheorghe Florian Borlea (Romania) and Johann Dengg (Germany), as Vice-Chairmen to hold office until the end of the sixty-fourth session.

Any other business (Item 8)

27. A briefing to Permanent Missions was organised on the Committee's activities and topics discussed at the current session notably in the policy forum on "Forest Certification-Do governments have a role?".

Date and place of next session (Item 9)

28. Provided that conference services are available, the week of 3 to 6 October 2006 has been provisionally reserved for the sixty-fourth session of the Committee to be held in Geneva.

Adoption of report (Item 10)

29. The Committee adopted its report on the basis of a draft prepared by the secretariat.

ANNEX I

UN Strategic Framework 2008-2009 Timber Subprogramme

Subprogramme 7 - Timber

Objective of the Organization: To improve sustainable forest management, including the sound and legal use of wood, other forest products and services throughout the UNECE region.

Expected accomplishments of the secretariat indicators of achievement

- 1.) Increased understanding of sustainable forest management, notably the policies necessary to achieve it, based on increased ability to measure sustainable forest management at the national and regional levels.
 - a) Percentage of UNECE countries with national forest programmes or similar holistic forest sector policy frameworks;
 - b) Percentage of UNECE countries able to provide satisfactory data on indicators of sustainable forest management to the fifth Ministerial Conference on the Protection of Forests in Europe.

- 2.) Increased understanding of the sound use of wood, leading to policies to promote it and increased ability to monitor it.
 - a) Percentage of UNECE countries with policies in place on sound use of wood, whether as part of national forest programmes or not;
 - b) Percentage of UNECE countries able to provide satisfactory responses to the ECE/Food and Agriculture Organization of the United Nations/International Tropical Timber Organization/Eurostat, Joint Forest Sector Questionnaire (which monitors the sound use of wood).

- 3.) Increased capacity of countries in CIS and south-east Europe to achieve sustainable forest management at the national level, notably through developing appropriate policy measures.
 - a) Increased number of CIS and south-east European countries adopting national forest programmes.

Strategy

The responsibility for this subprogramme is vested in the UNECE Trade Development and Timber Division. The work will be carried out in conjunction with relevant activities of the Food and Agriculture Organization of the United Nations and the Ministerial Conference on the Protection of Forests in Europe (MCPFE), and provide input to the UN Forum on Forests. To support forest management, including the use of wood and forest products, which is sustainable from the ecological, economic and social point of view, it is necessary to maintain a good balance between these three aspects, based on a strong consensus about goals and methods among all stakeholders, as well as to ensure that the strategy is well integrated into the policy framework of other sectors (the cross-sectoral approach). Achieving sustainable forest management is primarily a sovereign national responsibility.

However, regional international cooperation, through the timber subprogramme and its partners, will contribute by developing and disseminating concepts and information, sharing experience and defining standard measurement tools (indicators). The main contribution of the subprogramme is through developing and applying analytical and monitoring tools, both on policy and on developments on the ground, collecting, validating and disseminating information and analysis, as well as stimulating the exchange of experience and joint efforts to measure progress. Priorities for 2008-2009 will be determined by the Ministerial Conference scheduled for 2007. While all countries benefit from international cooperation through the subprogramme, it recognizes a special need of the countries of CIS and south-eastern Europe, where forest sector problems tend to be more acute and national capacity weaker.

ANNEX II

UNECE Reform process: proposal for Timber subprogramme Presented by Mr. Heikki Pajuja, Chair of Timber Committee, and agreed by Committee

Cluster 7

Subprogramme: Timber

Reference: Report Paragraph 247

A. Proposal for action:

That the Timber subprogramme expand its monitoring and analysis activities to include policy and institutions of the forest and timber sector, which are not at present monitored consistently by any body, with the aim of providing better information, identifying development trends in policies and how they are implemented, and supporting capacity building as regards forest sector institutions through exchange of experience.

B. Justification:

Sustainable forest management calls for a balance between economic, ecological and social dimensions, as mentioned in the UNECE/FAO integrated programme of work for forests and timber. This goal cannot be achieved without strong and stable policies and institutions for the sector. Even low forest cover countries, such as those in central Asia, require strong forest sector institutions to counteract the negative consequences of erosion, and desertification due to overcutting and overgrazing of the forest resource. There have been major changes in forest sector policies and institutions in the UNECE region over recent years, and there is a major opportunity to learn from these developments by an international exchange of experience, while respecting national sovereignty over forest policy questions.

The Timber subprogramme has a role to monitor and analyse, with its many partners, the developments in the forest sector and sustainable forest management. It already plays a leading role in statistics and analysis of forest resources, markets, trade and production as well as all aspects of forest management, including biological diversity, socio-economic aspects etc., all in the context of a high level, pan-European ministerial process. However, there is no equivalent system in place to monitor changes in policies and institutions for the sector, although there exists a system of indicators of sustainable forest management agreed by the Ministerial Conference on the Protection of Forests in Europe (MCPFE). Thus, if a country changes its forest law, privatises or nationalises forest land or a state forest agency, implements new measures to prevent illegal logging or puts in place incentive systems for forestry or forest industry, there is no system for collecting and making available this information, or analysing changes in international trends and no single place for the international community to obtain this information. Monitoring of the status and on-going developments in forest ownership is also a key issue in sustainable forest management policy. With its continuity of experience, its wide networks, especially in forest policy circles, and its many partnerships, notably with MCPFE and FAO, the Timber subprogramme is ideally placed to lead a process to put in place a system to monitor forest sector policies and institutions, and thereafter to collect, validate and make available the information for the benefit of all. This information base could serve as a basis for a joint programme of capacity building, through exchange of experience, with FAO and other partners. This would be of special usefulness for countries in south-eastern Europe and CIS, as well as developing countries in other regions, who would be able to have access to experiences of other countries much more directly and easily.

This proposal would necessitate discussion by the Timber Committee and its partners, and the availability of one extra staff member at the medium/junior professional level. This strengthening of

the resources of the Timber subprogramme is justified by the desire to focus UNECE's activities on its areas of comparative advantage, where there is no duplication with other organisations: this is clearly the case with Timber.

ANNEX III

UNECE Timber Committee and FAO European Forestry Commission Integrated Programme of Work on Forests and Timber, 2006 to 2008

Objective

To contribute to achieving sustainable forest management, including the sound and legal use of wood, other forest products and services, throughout the UNECE region, and to ensure measurement of that progress.

To contribute to meeting this objective, the TC and the EFC will promote cooperation between countries in the region and develop regional and sub-regional initiatives.

Work area 1 Markets and Statistics	
	Programme elements
1.1	Statistics on production, trade, consumption and prices of forest products
1.2	Analysis of markets for forest products, notably topical and policy relevant aspects
1.3	Capacity building for forest products marketing in countries in transition
1.4	Monitoring and analysis of markets for certified wood products
1.5	Statistics on forest fires
1.6	Team of Specialists on Forest Products Markets and Marketing
Work area 2 Forest resource assessment and indicators of sustainable forest management in the region	
	Programme elements
2.1	Indicators of sustainable forest management in the region
2.2	Regional contribution to global Forest Resource Assessment
2.3	Support to development of national systems for forest monitoring
	Servicing of Team of Specialists on Forest Resource Assessment
Work area 3 Sector outlook studies: analysis and follow-up	
	Programme elements
3.1	Implementation and follow up of European Forest Sector Outlook Study (EFSOS) to be determined
3.2	Forest relevant cross-sectoral issues at the pan-European level
3.3	Sector policy aspects of increased use of wood energy

Work area 4 Social and cultural aspects of forestry	
	Programme elements
4.1	Role of women in forestry
4.2	The social dimension of sustainable forest management in Europe, e.g. safety and health aspects
4.3	Role of contractors
Work area 5 Policy and cross sectoral issues	
	Programme elements
5.1	Contribution to the regional dimension of the global dialogue
5.2	Monitoring recent developments in policies and institutions
5.3	Trends in policies and institutions for the sector in CIS and south east Europe
5.4	Trade and environment issues:
	5.4.1 – extent and cause of illegal logging and trade
5.5	Forest fires
5.6	Sectoral and cross-sectoral communication
5.7	Preparation of forest and forest products country profiles
	Servicing of the Team of Specialists on CIS/SEE