



First meeting of the ECE/FAO Team of Specialists on Forest Sector Outlook, 16 June 2014

Report

1. The first meeting of the Team of Specialists (ToS) on Forest Sector Outlook under the new ECE/FAO Integrated Programme of Work took place on 16 June 2014 in Geneva, Switzerland. Twenty-one members of the Team attended the meeting:

- Nikolay Burdin (Russian Federation)
- Paolo Camin (Switzerland)
- Matthias Dieter (Germany)
- Karl Duvemo (Sweden)
- Richard Haw (United Kingdom)
- Kimmo Järvinen (EOS)
- Ragnar Jonsson (JRC)
- Yanshu Li (FAO)
- Udo Mantau (Germany)
- Alexander Moiseyev (Norway)
- Sarah Mubareka (JRC)
- Tuula Packalén (Finland)
- Maria Palenova (Russian Federation)
- Anatoly P. Petrov (Russian Federation)
- Jeffrey Prestemon (United States)
- Christopher Prins (International Consultant)
- Mart-Jan Schelhaas (Netherlands)
- Peter Schwarzbauer (Austria)
- Wladyslaw Strykowski (Poland)
- Michal Synek (Czech Republic)
- Darius Vizlenskis (Lithuania)

2. The meeting was chaired by Mart-Jan Schelhaas, in his capacity of former and reelected Leader of the ToS, apart for the item on election of officers which was moderated by Arnaud Brizay (joint UNECE/FAO Forestry and Timber Section), secretary to the ToS. Sebastian Glasenap and Sonja Sistonen, intern at the joint section, also contributed and provided assistance to the meeting.

Item 1: Introduction of the participants (tour de table)

3. The Chair opened the meeting, welcomed participants and thanked them for coming to Geneva. Participant had the opportunity to introduce themselves to the team and inform others on his/her outlook-related activities.

Item 2: Adoption of the agenda

4. The provisional agenda was adopted.

Item 3: Presentation of the Terms of Reference and ECE/FAO Guidelines for ToS

5. The secretariat presented the new terms of reference for the ToS and the guidelines for ECE/FAO ToSs, as adopted in December 2013 by Metsä2013, the joint session of the FAO European Forestry Commission and the ECE Committee on Forests and the Forest Industry, and contained in the annex IV of the meeting report (ECE/TIM/2013/2-FO:EFC/2013/2).

Item 4: Election of Officers

6. Mart-Jan Schelhaas and Jeffrey Prestemon were reelected, respectively as team Leader and Deputy Team Leader, to hold office until the end of 2015. Paolo Camin was elected for the office of Deputy Team Leader for the same period.

Item 5: Presentation of the new list of Team Members

7. The new list of Team Members (as of 3 June 2014) had been circulated before and distributed during the meeting. An updated version of this list is available in annex I. The participants were asked to check the list and their details and inform the secretariat about any mistake or omission.

Item 6: Lessons learned during the last round of Outlook Studies

8. The Chair gave an overview of the main lessons learned during the last round, which were linked to:
 - Process, planning and financing.
 - Analysis of the user needs.
 - Data and modeling.
 - Review of scenarios and results.
 - Linkages between the three main outlook studies in the ECE region (EFSOS, NAFSOS and RUFOS).
9. The secretariat reminded the participants that the results of the online survey and the telephone enquiry conducted in the fall of 2013, which were presented at the last ToS meeting, were available on the meeting webpage (<http://www.unece.org/index.php?id=35124>).
10. The focus on scenarios linked to policy concerns was highlighted as one of the strong points of EFSOS. From the sawmill industry point of view, the structural changes observed in the European forest resources (more hardwood) and the shift of production to other regions (labor intensive products) are of great concern. This also raises the question of the applicability of existing models with elasticity data based on past series while, at the same time, they may not reflect the structural changes in the forest sector. As the level of uncertainties still remains high, it was suggested to model a greater number of potential futures. Such issues should also be taken into account when selecting methods and models for the new outlook studies. It was also proposed to use models that would be specifically designed for these studies.
11. The acceleration during the drafting phase of EFSOS did not allow for proper consultation on the study results. For the next round, sufficient time should be dedicated to the consultation process with the national correspondents.
12. NAFSOS was based on a selection of IPCC driven scenarios and not on policy scenarios, while EFSOS used one IPCC scenario combined with a range of policy scenarios. However, it seems to be possible to bring EFSOS and NAFSOS nearer, although a complete overlap of methods is unlikely.

Item 7: Status of the EFSOS II discussion papers

13. Five discussion papers were scheduled to be produced on different aspects of EFSOS II. Authors updated the meeting on the status of preparation of the papers.

- “The Method of the Wood Resource Balance” by U. Mantau: in preparation; a training on the excel calculation workbook is envisaged.
- “Analysing the impacts on the European forest sector of increased use of wood for energy” by A. Moiseyev, B. Solberg and A.M.I Kallio: to be produced by September 2014 (or abandoned).
- “European forest resource development” by H. Verkerk, M.J Schelhaas: very first draft available but no resources to finalize.
- “Competitiveness of the European Forest Sector” by H. Weimar, H. Englert, A. Moiseyev and M. Dieter: to be finalized in the next months.
- “Econometric Modelling and Projections of Wood Products Demand” by R. Jonsson: completed and available at: http://www.unece.org/fileadmin/DAM/timber/docs/dp/DP-59_FINAL.pdf;

14. As discussed in Rovaniemi, authors were reminded that it would not really make sense to publish EFSOS II centered papers later in 2015.

Item 8: Draft Concept paper for the next round of Outlook Studies

15. The Team discussed the draft paper prepared by the secretariat. The main points of this discussion can be summarized as follows.

- Objectives: a strong consensus on objectives is central as they influence the whole study process. There is a need to prioritize the requests of different relevant parties, while recognizing the limits of financial resources and available expertise, data and models, once those will have been selected.
- Scope: a harmonization in timing, policy issues, assumptions and methods, or at least a common approach for the three main studies (NAFSOS, EFSOS, RUFOS) is desirable. The integration of the Russian Federation in EFSOS could bring added value and should be further discussed. The influence of the Asian economy and in particular the Chinese impact on the resources and markets should be better reflected. The end use sector could be included in the analyses as well as ecosystem services as long as data and experts can be identified.
- Policy issues and scenarios: a client orientation approach is recommended. The information and services needed by the users of the study should be progressively defined through an interactive process. A greater role should be given to national input such as expert reviews, wood supply/mobilization plans etc.
- Data and modeling: the applicability of existing models should be reviewed and the recent developments in this field be taken into account, as well as the cooperation with relevant processes such as COST actions (USEWOOD, ORCHESTRA), new or existing EU projects or the JRC integrated modeling tool (see item 11).
- Timeline and process: a discussion took place on the relevance of forecasts on shorter time horizons (5 years) of direct use for the private sector and the usual 20-year time horizon used in the past. Those two approaches seem technically incompatible but they could be combined in a two track process subject to the availability of resources.

16. As a lot of issues remained open, it was decided at this stage not to further develop the draft concept paper. The Team and the secretariat should focus on developing a consultation based on a set of reformulated policy questions to better assess the need of the current and potential study users. The first draft questions should be discussed by the Team before submitting it for consultation. The first results of this consultation could then be presented at the next meeting of the Committee on Forests and the Forests Industry to receive feedback from member country.

Item 9: Development of a work plan for 2014-2015 for the Team

17. The secretariat was requested to prepare a draft work plan to be discussed at the next team meeting.

Item 10: Focus on wood energy

18. Sebastian Glasenap provided an overview on his recent work to assess the energy scenario of the EUwood study (respectively EFSOS II study). This work revealed that the EUwood study, Eurobserv'er and Eurostat provide in total, similar values for raw material and primary energy in the EU24 for the years 2011 and 2012. Those figures were also compared to the data provided by the National Renewable Energy Action Plan Progress Report 2013 (NREAP 2013). The raw material values are the highest in the Progress Report while the primary energy values are the lowest. Serious inconsistencies within the conversion factors of the NREAP 2013 were mentioned. Beside the totaled values for wood used for energy generation the growth rates provided by different sources were presented for the years 2011 and 2012. Eurobserv'er, Eurostat and NREAP 2013 provide a growth rate of 5-7 % while the EUwood study provides an underestimated growth rate of 3 %.

Item 11: Briefing by participants on recent regional and national developments

19. Alexander Moiseev (European Forest Institute / Norwegian University of Life Sciences) presented his work on the impact of subsidies and carbon pricing on the wood biomass use for energy in the EU. Ragnar Jonsson and Sarah Mubareka (JRC) also presented the JRC modelling framework for the forest sector. Both presentations are available on the meeting webpage (<http://www.unece.org/index.php?id=35231>).

Item 12: Any Other Business

20. Lauri Hetemaki (EFI) could not attend the meeting but informed the secretariat of two recent relevant publications: [Forest Bioenergy for Europe, What Science Can Tell Us EFI, 2014](#) and [European Forest industry and Forest Bioenergy outlook up to 2050: A synthesis Research, CLEEN/FIBIC, 2014](#).

Item 13: Conclusion

21. It was agreed that the next ToS on Outlook meeting will be held in January 2015, possibly in Ispra, Italy, at the kind invitation of JRC. This meeting will review the draft work plan, assess the results of the survey on policy issues and discuss further work.

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Annex I - ECE/FAO Team of Specialists on Forest Sector Outlook - List of Members as of 9 July 2014

	First Name	Name	Country/Organization	Govern./Indep.
1	Annemarie	Bastrup-Birk	EEA	NA
2	Georgiy	Bondaruk	Ukraine	Govern.
3	Isabelle	Brose	EPF	NA
4	Josef	Buongiorno	United States of America	Govern.
5	Paolo	Camin	Switzerland	Govern.
6	Gregorio	Chamorro García	Spain	Govern.
7	Bernard	de Galembert	CEPI	NA
8	Matthias	Dees	Germany	Indep.
9	Matthias	Dieter	Germany	Govern.
10	Taivo	Denks	Estonia	Govern.
11	Karl	Duveno	Sweden	Govern.
12	Siyasat	Garayev	Azerbaijan	Govern.
13	Jorge	Gosálbez Ruiz	Spain	Govern.
14	Piotr	Grygier	Poland	Govern.
15	Johannes	Hangler	Austria	Govern.
16	Richard	Haw	United Kingdom of Great Britain and Northern Ireland	Indep.
17	Lauri	Hetemaki	EFI	NA
18	Kimmo	Jarvinen	EOS	NA
19	Erno	Järvinen	Finland	Govern.
20	Ragnar	Jonsson	JRC	NA
21	Dusan	Jovic	Serbia	Govern.
22	Srecko	Juricic	Croatia	Govern.
23	Maarit	Kallio	Finland	Govern.
24	Bekir	Kayacan	Turkey	Govern.
25	Dzmitry	Krasouski	Belarus	Govern.
26	Florian	Kraxner	Austria	Govern.
27	Andrius	Kuliešis	Lithuania	Indep.

28	Yanshu	Li	FAO	NA
29	Udo	Mantau	Germany	<u>Indep.</u>
30	Alexander	Moiseyev	EFI	NA
31	Sarah	Mubareka	JRC	NA
32	Annika	Nordin	Sweden	Indep.
33	Tuula	Packalen	Finland	Govern.
34	Maria	Palenova	Russian Federation	Govern.
35	Anatoly	Petrov	Russian Federation	<u>Indep.</u>
36	Jean-Luc	Peyron	France	Indep.
37	Juan	Picos Martín	Spain	Govern.
38	Jeff	Prestemon	United States of America	Govern.
39	Kit	Prins	International Consultant	NA
40	Catherine	Rivoal	France	Govern.
41	Jesus	San Miguel	JRC	NA
42	Mart-Jan	Schelhaas	Netherlands	Govern.
43	Peter	Schwarzbauer	Austria	Govern.
44	Merab	Sharabidze	Georgia	Govern.
45	Pat	Snowdon	United Kingdom of Great Britain and Northern Ireland	Govern.
46	Birger	Solberg	Norway	<u>Govern.</u>
47	Wladyslaw	Strykowski	Poland	Govern.
48	Aliaksandr	Surta	Belarus	Govern.
49	Michal	Synek	Czech Republic	Govern.
50	Khodjimurat	Talipov	Uzbekistan	Govern.
51	Mati	Valgepea	Estonia	Govern.
52	Joost	Vandevelde	EC	NA
53	Hans	Verkekr	EFI	NA
54	Darius	Vizlenskas	Lithuania	Govern.
55	Jeremy	Wall	EC	NA
56	Sheila	Ward	United Kingdom of Great Britain and Northern Ireland	Govern.
57	Holger	Weimar	Germany	Govern.
58	Matthias	Wilnhammer	Germany	Indep.