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**TIMBER COMMITTEE**

Sixty-fourth session  
Geneva, 3-6 October 2006

**REPORT OF THE TIMBER COMMITTEE ON ITS SIXTY-FOURTH SESSION**

**Implementation of the UNECE Reform:** The Committee reported on the implementation of the Reform, including revised terms of reference, a more formal framework of cooperation with the Ministerial Conference on the Protection of Forests in Europe and strengthening monitoring of policies and institutions (para. 9).

**UNECE/FAO in a changing international environment:** The Committee expressed its appreciation of the close cooperation on European forestry issues between the three partners, UNECE, FAO and MCPFE, built upon understanding and trust, and started consideration of European regional input to the United Nations Forum on Forests (paras. 11-15).

**Cross-sectoral approach, strengthening links with other UNECE sectoral committees:** The Committee endorsed cooperative activities with the UNECE Water Convention and the Committee on Sustainable Energy, and was informed of an enquiry by the Aarhus Convention (paras. 16-21).

**Market developments in 2006 and prospects for 2007:** The Committee's discussions highlighted that the UNECE region marketplace was being reshaped by China's forest products trade, and policies for wood energy, procurement and climate change (paras. 22-25).

**UNECE/FAO Policy Forum, Public procurement policies (PPPs) for wood and paper products and their impacts on sustainable forest management and timber markets:** The Forum noted that PPPs were developing rapidly and raised many complex issues of practice and equity. It agreed that these policies should be monitored at regular intervals (paras. 26-29).

**The Committee reviewed its activities** and approved its programme of work to 2008, the work of the teams of specialists and proposals for strengthening the monitoring of policy issues (paras. 30-32).

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## **I. INTRODUCTION**

1. The Timber Committee of the United Nations Economic Commission for Europe (UNECE) held its sixty-fourth session at Geneva from 3 to 6 October 2006. The session was attended by representatives of Austria, Azerbaijan, Belgium, Bulgaria, Canada, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, the Russian Federation, Serbia, Slovakia, Slovenia, Sweden, Switzerland, The former Yugoslav Republic of Macedonia, Turkey, United Kingdom of Great Britain and Northern Ireland, and the United States of America.
2. Representatives of the European Commission attended the session.
3. Representatives of Australia, Brazil, Malaysia, Mexico, and New Zealand attended the session under Article 11 of the Commission's terms of reference.
4. Representatives of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Forum on Forests Secretariat (UNFF), the World Bank and the World Trade Organization (WTO) also attended the session.
5. The following intergovernmental organizations were also represented: European Forest Institute (EFI), the International Tropical Timber Organization (ITTO) and the Warsaw Liaison Unit of the Ministerial Conference on the Protection of Forests in Europe (MCPFE).
6. The following non-governmental organizations (NGOs) were represented: American Forest and Paper Association, Confederation of European Paper Industries (CEPI), European Confederation of Woodworking Industries (CEI-BOIS), European Timber Trade Association (FEBO), European Network of Forest Entrepreneurs (ENFE), European Panel Federation (EPF), European State Forest Association (EUSTAFOR), Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification Schemes (PEFC), Tropical Forest Trust (TFT), World Business Council on Sustainable Development (WBCSD) and the World Wide Fund for Nature International (WWF).
7. Mr. H. Pajuoja (Finland), Chairman, opened the session. Mr. M. Belka, Executive Secretary of UNECE, welcomed the delegations and addressed the session. Mr. W. Killmann, Director, Forest Products and Economics Division, FAO, also addressed the session.

## **II. ADOPTION OF THE AGENDA (Agenda item 1)**

Documentation: ECE/TIM/2006/1

8. The provisional agenda was adopted with some changes in the timetable. The Committee strongly regretted that some of the session's documents were not available in all the official languages and requested the secretariat to correct this situation for future sessions.

### **III. IMPLEMENTATION OF THE UNECE REFORM AND FOLLOW-UP TO THE 2006 SESSION OF THE COMMISSION (Agenda item 2)**

Documentation: ECE/TIM/2006/2

9. Mr. P. Robineau, Senior Adviser to the UNECE Executive Secretary, and Ms. V. Cram-Martos, Director, UNECE Trade and Timber Division, briefed the Committee on the UNECE Reform which was launched in December 2005 and continued to be implemented at present. The Committee welcomed the fact that the UNECE Reform had given high priority to its work, and consequently that its resources had been increased by the creation of an additional professional post in the secretariat.

10. In response to the request by the UNECE Executive Committee, the Committee adopted the following text:

“The Committee discussed the provisions of the Work Plan on UNECE Reform and the related decisions of the sixty-first session of the Commission, and agreed to:

- (a) Submit its revised Terms of Reference (annex I of ECE/TIM/2006/2) and those of the FAO/UNECE Working Party on Forest Economics and Statistics (annex II) to the UNECE Executive Committee for approval;
- (b) Inform the Executive Committee that it is working to intensify its cooperation with MCPFE and to explore the possibility of a formal framework for this cooperation;
- (c) Inform the Executive Committee that its work on monitoring and analysis of policy and institutions is being developed along the lines set out in annex IV of ECE/TIM/2006/7;
- (d) Submit to the Executive Committee a report on involvement of the private sector and NGOs in the Committee’s activities along the lines of the short statement in annex III of ECE/TIM/2006/2;
- (e) Submit to the Executive Committee the information concerning allocation of resources according to its programme items set out in annex IV of ECE/TIM/2006/2;
- (f) Invite the national delegations to the Committee to establish working relationships with related departments in foreign ministries engaged in UNECE work in order to strengthen coherence and consistency in UNECE activities”.

11. The Committee was informed that its Bureau and that of the European Forestry Commission would meet at the end of the session, on Friday, 6 October 2006, with the UNECE Executive Committee.

### **IV. UNECE/FAO IN A CHANGING INTERNATIONAL ENVIRONMENT: BRIEFING AND DISCUSSION OF RECENT DEVELOPMENTS (Agenda item 3)**

Documentation: ECE/TIM/2006/3

12. The Committee considered its roles and strategic direction in the light of the changing international environment, and on the basis of briefings on activities of FAO (by Mr. W. Killmann), MCPFE (by Mr. P. Borkowski) and UNFF (by Ms. C. Santamaria).

13. The Committee was informed of the activities of the European Forestry Commission (EFC), the Committee on Forestry (COFO) the FAO Sub-regional Forest Office for Europe (SEUR) and the Collaborative Partnership on Forests (CPF).

14. The Committee took note and expressed its appreciation of the close cooperation on European forestry issues between the three partners, UNECE, FAO and MCPFE, built upon understanding and trust. The value and mutual benefit of this cooperation at the pan-European level were confirmed and the synergies created were considered an outstanding example of regional cooperation for the implementation of sustainable forest management (SFM). A joint meetings calendar has recently been prepared together with the European Union (EU) and is expected to contribute to the harmonization of the agendas and the further planning of joint and coordinated events. The Committee welcomed the proposal to explore the possibilities of organizing a European Forest Week in 2008 back-to-back or in joint meetings of the Committee, the EFC and MCPFE, as a European regional contribution to the UNFF.

15. The Committee was informed that the issues of wood energy and biomass and the relationship between forests and water may be the subject of resolutions to be adopted by the MCPFE Warsaw Ministerial Conference in November 2007.

16. The UNFF informed the Committee of the newly adopted resolution by the Economic and Social Council which had renewed the UNFF mandate, established four global objectives on forests, offered prospects to advance sustainable forest management, curb deforestation, enhance the contribution of forests to the achievement of international development goals including the Millennium Development Goals (MDGs), and confirmed the agreement towards the conclusion and adoption of a non-legally binding instrument on all types of forests at the seventh session of UNFF in April 2007. The Committee took note of the resolution's request to forest-related regional and subregional bodies to strengthen collaboration and provide input to UNFF by undertaking regionally focused activities.

## **V. CROSS-SECTORAL APPROACH: STRENGTHENING LINKS WITH OTHER UNECE SECTORAL COMMITTEES (Agenda item 4)**

Documentation: ECE/TIM/2006/4

17. The Committee affirmed the necessity for the forestry sector to keep abreast of developments in the surrounding institutional and political landscape which determines its realities. The need for understanding of and communication with other sectors such as energy, environment, water, agriculture/land use and trade, is increasingly being recognized. The Committee endorsed the suggestion of the Workshop on Forests: Common Benefits, Shared Responsibilities, Multiple Policies, held in Latvia in October 2005, that UNECE, FAO and MCPFE should strengthen their cross-sectoral outlook in the different areas of their work, namely forest resource assessment, market reviews and the monitoring and analysis of policies and institutions.

18. The Committee was informed of past and possible future cooperation with the UNECE Water Convention and the Sustainable Energy Committee. The Committee thanked Ms. F. Bernardini, Secretary of the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes, and Mr. G. Sambucini, Project Manager, UNECE Energy Efficiency 21 Project, for their presentations on "UNECE rules on the payment for ecosystem

services under the Water Convention” and “The Energy Efficiency 21 (EE21) project: enhanced regional cooperation on market formation and investment project development”.

19. The need for information sharing and coordination between the Timber and Environment Committees became apparent in the context of the draft rules on payment for ecosystem services negotiated under the UNECE Water Convention. The Committee expressed its appreciation for the useful cooperation between UNECE and MCPFE in the context of a possible MCPFE resolution on water and forests.

20. The Committee noted with interest the work of the Sustainable Energy Committee and expressed an interest in exploring areas of cooperation, as suggested in the context of specific seminars on timber and biomass as renewable energy sources, technical assistance activities and the possibility of financing bankable investment proposals. The Committee agreed to present proposals for areas of cooperation at the next session of the Sustainable Energy Committee in November 2006.

21. The Committee was informed by Mr. J. Wates, Secretary of the UNECE Aarhus Convention and the Almaty Guidelines on Promoting the Application of the Principles of the Aarhus Convention in International Forums. A task force has been established to obtain the views of international forums concerning the Guidelines and to learn from their experience with these themes. The Committee asked its secretariat, in cooperation with the bureaux, to explore the issue. Any response should be circulated for comments to all members.

22. The Committee welcomed the work related to the forest/climate change nexus undertaken by FAO, in cooperation with the United Nations Framework Convention on Climate Change (UNFCCC), in particular a workshop on reducing greenhouse gas emissions from deforestation in developing countries. International seminars on energy and forest products industry and on mobilizing the wood resource for raw material and energy are planned by UNECE, FAO and MCPFE at the end of October 2006 in Rome and in January 2007 in Geneva, respectively. A joint enquiry on wood energy, conducted together by UNECE/FAO, the International Energy Agency (IEA) and the EU is expected to shed light on the use of wood for energy production.

## **VI. MARKET DEVELOPMENTS IN 2006 AND PROSPECTS FOR 2007**

### **(Agenda item 5)**

Documentation: ECE/TIM/2006/5

23. At its annual Market Discussions, the Committee reviewed the forest products markets on the basis of the *Forest Products Annual Market Review 2005-2006*, country market statements and national forecasts for 2006 and 2007, as well as experts' presentations. The theme of the discussions was “China's influence on forest products markets in the UNECE region”. The session approved a market statement for subsequent publication in a press release for wide distribution via its website.

24. The Committee noted the inadequacy of information on markets for certified forest products, notably as regards the volumes handled through each chain of custody certificate. It requested the UNECE/FAO Working Party on Forest Economics and Statistics to continue to examine ways of improving the situation, with the participation of relevant partners.

25. The Committee proposed that the theme for the policy forum in 2007 should be “Mobilizing wood resources for raw material, energy or climate change: finding solutions at the policy level”. This should be linked with work on the MCPFE/UNECE/FAO workshop in January 2007 on Mobilizing additional wood resources under SFM for energy and raw material, already included in the MCPFE work programme.

26. The Committee thanked the experts for their analytical presentations, which may be found on its website ([www.unece.org/trade/timber](http://www.unece.org/trade/timber)).

**VII. UNECE/FAO POLICY FORUM: PUBLIC PROCUREMENT POLICIES FOR WOOD AND PAPER PRODUCTS AND THEIR IMPACTS ON SUSTAINABLE FOREST MANAGEMENT AND TIMBER MARKETS (Agenda item 6)**

Documentation: ECE/TIM/2006/6

27. The Timber Committee, together with the FAO, held an in-session, one-day policy forum on public procurement policies for wood and paper products and their impacts on sustainable forest management and timber markets.

28. Expert presentations were given by representatives of a number of organizations and are available at the Committee’s website ([www.unece.org/trade/timber](http://www.unece.org/trade/timber)).

29. The main conclusions of the policy forum summarized by the Chairman and endorsed by the Committee, were as follows:

- (a) There is strong political momentum driving the move to public procurement policies for forest products.
- (b) Only a few countries are really applying public procurement policies in practice.
- (c) Governments have a dual role, being both regulator and purchaser.
- (d) The “lead countries” are already working together.
- (e) The international legal environment is complex.
- (f) There are many difficulties with implementation, including the complexity of assessing certification schemes.
- (g) Market players expressed strong concerns about certain aspects of public procurement policies, including the procedures required, the diversity of approaches between countries and the risk of creating unnecessary trade barriers. In particular, they felt that the market conditions in which they had to operate were being changed too often.
- (h) It was proposed that public procurement policies take into account a phased approach to achieving sustainable forest management.
- (i) A realistic approach to designing and implementing public procurement policies was essential.
- (j) Public procurement policies cannot solve all problems immediately: expectations should not be too high.
- (k) Public procurement can be a role model for private sector.
- (l) “Legality” is increasingly accepted as minimum standard.

- (m) It has proved challenging for designers of public procurement policies to allow for evidence of sustainability from certification schemes and from “alternative documentation”.
- (n) Public procurement policies could make it possible to avoid giving an advantage to illegal loggers and unfair traders.
- (o) Unsustainably or illegally produced wood is reaching markets in the form of value added products, thus circumventing public procurement policies which only cover primary products. Notwithstanding the technical difficulties, public procurement policies should also consider addressing value added products. Some countries are already doing this.
- (p) At present only wood products are subjected to public procurement policies requirements on sustainability. This fact, as well as possible excessive transaction costs risk causing substitution by less environmentally friendly competing materials such as plastic.
- (q) The positive effects of public procurement policies on sustainable forest management are difficult to prove.
- (r) Public procurement policies can discriminate against small-scale or community-run forest enterprises, and less developed countries.
- (s) There is a lack of information and statistics, as well as a need for transparency and inclusiveness.
- (t) Precision and simplicity should be balanced in a pragmatic way.
- (u) Public procurement policies should promote the use of sustainably produced wood.
- (v) Because of the complexity of the issues and the dynamic development, it is important for countries and stakeholders to exchange information, cooperate and coordinate actions.

30. The meeting agreed that public procurement policies were important, developing rapidly and should be monitored at regular intervals. The meeting welcomed the work of FAO and UNECE on monitoring forest sector policies and institutions and asked them to include public procurement policies and their market impacts in this regular monitoring. In particular, countries should be requested to include the latest developments for public procurement policies in their national market statements in 2007 and subsequent years.

#### **VIII. REVIEW OF ACTIVITIES SINCE THE SIXTY-THIRD SESSION AND PROGRAMME OF WORK TO 2008 (Agenda item 7)**

Documentation: ECE/TIM/2006/7

31. The Committee reviewed its activities and programme of work to 2008, namely the activities implemented since the sixty-third session and planned for 2006-2007, the list of outputs, activities of the teams of specialists, proposals for the strengthening the monitoring of policy issues and institutions, and evaluations of the biennium 2004-2005.

32. The Committee welcomed the publication of Discussion Paper 43, “International Forest Sector Institutions and Policy Instruments for Europe: A Source Book” and agreed to post it on



the website and to update it regularly. It also agreed to include it in the list of outputs in document ECE/TIM/2006/7, Annex II.

33. Following an overall presentation by the Senior Adviser to the Executive Secretary, the Committee reviewed the programme performance report for the sub-programme in the 2004-2005 biennium. The Committee welcomed the results based approach and noted that given the high level of performance already reached, to maintain this level is already a challenge.

#### **IX. ELECTION OF OFFICERS (Agenda item 8)**

34. The Committee elected Mr. Johann Dengg (Germany) as Chairman, and Mr. Heikki Pajuoja (Finland) and Mr. Branko Glavonjic (Serbia) as Vice-Chairmen, to hold office until the end of the sixty-fifth session. It warmly thanked the outgoing Vice-chairman, Mr. Florian Borlea (Romania), for his contribution to the Committee's work as Chairman and Vice-Chairman.

#### **X. OTHER BUSINESS (Agenda item 9)**

35. None.

#### **XI. DATE AND PLACE OF NEXT SESSION (Agenda item 10)**

36. Provided that conference services are available, the week of 8-12 October 2007 has been provisionally reserved for the sixty-fifth session of the Committee to be held in Geneva. The latter date corresponds with the proposed joint market discussions with the International Softwood Conference.

#### **XII. ADOPTION OF THE REPORT (Agenda item 11)**

37. The Committee adopted its report for agenda items 1 to 5 on the basis of a draft prepared by the secretariat. Subsequently, the bureaux approved the remainder of the report.

38. This report contains the official record of the Timber Committee session, as approved by the participants. It is intended for participants in the session, the staff of ministries responsible for forest/timber and United Nations matters as well as other interested experts and stakeholders. Further information may be obtained from the ECE/FAO Timber Section, Palais des Nations, 1211 Geneva 10, Switzerland, [info.timber@unece.org](mailto:info.timber@unece.org) or <http://www.unece.org/trade/timber/>.

## ANNEX

**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 Timber Committee and the European Forestry Commission will promote cooperation between countries in the region and develop regional and sub-regional initiatives.

<b>Work area 1 Markets and Statistics</b>	
	<b>Programme elements</b>
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
<b>Work area 2 Forest resource assessment and indicators of sustainable forest management in the region</b>	
	<b>Programme elements</b>
2.1	Regional indicators of Sustainable Forest Management
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
<b>Work area 3 Sector outlook studies: analysis and follow-up</b>	
	<b>Programme elements</b>
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

<b>Work area 4 Social and cultural aspects of forestry</b>	
	<b>Programme elements</b>
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
<b>Work area 5 Policy and cross sectoral issues</b>	
	<b>Programme elements</b>
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