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State of forestry in the region: synthesis of national reports on forest policy and institutions

(Item 3 of the Provisional Agenda)

Secretariat Note

This document presents the secretariat synthesis of national reports on forest policy and institutions.

Delegations are invited to discuss the national reports and the synthesis, drawing attention to the points they consider most important, and indicating whether any changes are necessary in the activities of ECE/FAO in the light of this review. They are also invited to authorize the publication of the reports, modified with the comments received during the meeting

Introduction

1. The FAO European Forestry Commission reviews the state of forestry in the region, concentrating on developments for forest policy and institutions, basing its discussion on national reports, synthesized by the secretariat. The present document contains the secretariat synthesis of the information made available by fourteen countries that provided national reports in time (Albania, Austria, Czech Republic, Estonia, Finland, Germany, Greece, Lithuania, Norway, Poland, Portugal, Sweden, Switzerland, United Kingdom).
2. The impact of major policy relevant issues will be analyzed in the outlook studies (EFSOS, to be discussed under item 10 of the Provisional Agenda).
3. The Secretariat has merely synthesized the national reports, where possible using the original wording, to avoid unnecessary distortion of the idea being expressed.

Forest policy framework and national forest programmes

4. Almost all countries reported on recent developments in the forest policy framework, notably on recent statements or modifications of broad policy objectives, national debates on forest policy goals etc. as well as on national forest programmes (nfp). These statements are briefly summarized below.
5. All countries stress the vital necessity of sustainable forest management and the need to balance the economic, ecological and social functions of forests. Many stress the importance of a holistic, cross-sectoral approach and link forest policy and programmes to rural development and environmental conservation. Many further demonstrate the vitality and relevance of the global and regional forestry dialogue, by stating that national policies are explicitly linked to, or based on, the results of the sessions of the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests (IPF/IFF) or the Ministerial Conference on the Protection of Forests in Europe (MCPFE). EU members and candidate countries frequently refer to major EU documents and are bringing national forest policy into line with broad EU objectives, as stated in the EU forest strategy and the various directives and regulations.
6. It is worth noting the wide difference between countries in methods of formulating forest policy, even when the content of the policies themselves is broadly similar.
 - The national Strategy for Agricultural Development in **Albania** (“Green Strategy”) covers forest and pasture land (which are administered together in Albania). The Strategy was formulated by the Ministry of Agriculture and Food and approved by the Council of Ministers. It identifies general principles and technical perspectives as regards the conservation, management and use of forest and pastures.
 - **Austria** has defined nine “forest development objectives,” based on EU rural development and agricultural policy and the EU Forest Strategy, and considering the Resolutions of the MCPFE.

“Modules of resources” to achieve these objectives have been developed at the national level after widespread consultation at the national and sub-national level.

- **Cyprus** has developed a National Programme for Development of the Forest Sector in a process that started in May 1998 and lasted about 18 months. The programme was based on a strategic review. The forest programme specifies, in general terms, the actions needed to implement the strategy in the next 10 years.
- The **Czech Republic** drew up a “Concept of forest policy” as a component of the concept for the Ministry of Agriculture in the period preceding accession to the EU. The Concept was approved by the Government in January 2000.
- In **Estonia** the current forest policy dates from 1997. On this basis a new ten-year development plan has been drawn up for 2001-2010. The objective of this development plan is to maximise the contribution of the forestry sector to national economic and social well-being on a sustainable basis.
- In **Finland**, forestry policy was comprehensively revised in the mid-1990s, culminating in the passing of the Forest Act and the Nature Conservation Act in 1997. One of the major starting points for the revision was the wish to bring Finnish forest policy in line with international agreements and political commitments. At present, focus is on implementation of the new forest policy, which has gone smoothly. A new working group, appointed in 1998, is revising the Finnish national set of criteria and indicators. The new set will be ready in September 2000. Thirteen regional forestry programmes cover the country.
- **Germany** has established a process to develop a national forest programme in September 1999, which will provide a comprehensive forest policy framework for ensuring sustainable forest development in the future, based on the IPF proposals. In December 1999, the Strategy for Conservation and Sustainable Use of Biological Diversity in German forests was endorsed. It was worked out by the forest sector at federal and *Länder* levels and is supported by NGOs.
- In **Greece**, the General Secretariat for Forest and Natural Environment, the national forest service, manages six-year development programmes for carrying out forest technical work, funded by the Investment Budget and the EU.
- In **Lithuania**, the Forest Law, which dates from November 1994, was updated in 1996. A new forestry policy is being prepared, which, it is expected, will be approved in 2000. Measures have also been taken to harmonise cross-sectoral policies related to forests (e.g. environment, agriculture etc.).
- In **Norway**, forest policy was revised in 1998/99. The policy was adopted by Parliament in June 1999. The process of policy revision is a continuing one, carried out by inter-ministerial committees, with appropriate mechanisms to ensure participation. A new Forest Act is being prepared, upholding the principles of the present Act and reflecting the balance between the economic, cultural, social and environmental functions of forests.
- The State Forestry Policy of **Poland**, which was approved by the Council of Ministers in 1997, covers the period to 2030. It accounts for all key provisions of international forestry policy and all forestry reform objectives. It is in the spirit of UNCED and the pan-European process, conforms to Polish laws for other sectors and is fully consistent with the EU Forestry Strategy.
- In **Portugal**, the Forest Policy Act was passed by parliament in 1996. Based on this is the Plan for the Sustainable Development of the Portuguese Forest (PSDPF), adopted by the Government in March 1999, which is a sectoral policy tool, setting out strategic orientations, resulting from a

participatory process and linked with other planning and management tools, notably plans for other sectors. The PSDPF sets up Regional Forest Plans and Forest Management Plans (officially created in June 1999), fiscal and financial incentives for the sector, a National Plan for Forest Research and a Forest Information System.

- In **Sweden**, attention at present is focused on implementation of existing policy, notably through a large scale training and information campaign called “Greener Forests”, whose aim is to demonstrate how forestry can combine high economic production with site-adapted nature conservation.
 - The **Swiss** Forest Act of 1993 forms the basis for national forest policies, maintaining two principles accepted since 1902 – protection of the forest area and sustained yield – while adding another: the equal importance of all the functions of wood production, conservation of biological diversity, protection against natural hazards, and recreation. The Act also provides for consultation and participation and sets down minimal requirements for forest management and planning, as well as providing the framework for national funding.
 - In **Turkey**, the Ministry for Forestry has carried out a Forest Sector Review, with the help of the World Bank. The objectives are to develop strategies to improve the standard of living of 7.2 million low-income forest dwellers and to foster rehabilitation of forest resources and their sustainable management. The Eighth Forest Sector development Plan, for the period 2001-2005 is being prepared with goals, strategies and principles for the period.
 - In the **United Kingdom**, forestry has become a devolved matter with the creation of the Welsh Assembly and the Scottish Parliament. A Forestry Strategy for England was published in 1998, focussing on forestry for rural development, for recreation, access and tourism, for economic regeneration and for environment and conservation. Country strategies for Scotland and Wales are being prepared.
7. It is clear from the above overview that the speed of change in forest policy and political attention being given to forest policy issues has not diminished over the last two years. On the contrary, most reporting countries have either recently completed a fully revised statement of national forest sector policy or are in the process of preparing such a statement.
 8. Another striking feature is the interaction of debate and policy formulation at the national and international levels. It appears that the “processes” triggered by UNCED at the global and regional levels, including IPF/IFF and the MCPFE, have not only served to define an international consensus on the situation and needs for action, but have triggered official national responses, which might not have taken place without the stimulus of the international debate. While it is impossible to prove this assertion, if true, it would provide a powerful justification for activities that have been criticized in many quarters for being too slow, too abstract and not sufficiently action-oriented.
 9. The wide diversity of approaches to formulation of forest policy is apparent from this brief survey of the main points countries made in their statements. This section also focuses on one tool for forest policy formulation endorsed by IPF/IFF and in many cases supported by international agencies: the **national forest programme** (nfp). In Europe, formal nfp, characterized by a holistic approach and a

participatory process, have in some cases replaced traditional policy formulation but, more often have been incorporated into the traditional processes.

10. IPF/IFF, with the help of FAO monitors progress in implementing these recommendations, including progress in nfp. The status of those activities identified by countries as nfp (or which appear to correspond to the IPF/IFF definition) is described below. This section could serve as a brief overview of the nfp process in Europe.
 - In **Albania** a national forestry programme is being prepared with contributions from international development agencies, notably FAO. An ecological survey, an assessment of existing forest cover by remote sensing and an environmental assessment have been carried out. The main lines of the proposed project are in the national report.
 - **Austria** sees nfp as a significant vehicle for guiding forest related policies, in particular the implementation of IPF/IFF proposals for action, at the national and sub-national level. Austria has started to establish a national report, including forest policy guidelines, identification of IPF/IFF proposals most relevant to Austria, analysis of degree of implementation and development of a framework for future reporting.
 - **Cyprus** has just completed a national forest programme that was the final phase of a detailed investigation and strategic review. The review took 18 months, covers the period 2000-2010, and provides a new strategy for the forest sector development in Cyprus. It provides a flexible framework for continuous development.
 - Work started in January 2000 on a ten-year Forestry Development Plan for **Estonia**. All interest groups have been informed and asked to co-operate in its preparation. The Plan should be ready by December 2000.
 - In February 1998, the government of **Finland** decided to initiate the drafting of a National Forest Programme, with a wider scope than earlier programmes and specifically designed to take into account the relevant international documents and commitments. The programme was completed in 1999, although the report stressed that it should be seen as a process, subject to revision.
 - **Germany** established a process to develop a national forestry programme in September 1999. It will be a comprehensive policy framework, based on the IPF proposals, and incorporating the results of a wide participatory process. It is planned to present it to the public in autumn 2000.
 - The Plan for the Sustainable Development of the **Portuguese** Forest sets strategic directions on the basis of a participatory process, and thus seems to have the characteristics of an nfp, although the national report does not make this explicit.

Table 1
Tabular summary of reported national forest programmes in Europe

	Start	Finish	Title	Remarks
Albania	1995		National forestry programme	Waiting full funding. Co-operation with FAO, World Bank.
Austria	2000		National Forest Programme	Report, with “policy guidelines” and explicit comparison of Austria with IPF/IFF Proposals
Cyprus	1998	2000	National Programme for development of the Forest sector in Cyprus	Includes cost-benefit analysis. Reform of organisation and structure of the sector. Assistant from FAO.
Czech Republic		2000	Concept of Forestry Policy/ National Forestry programme	Linked to EU accession process.
Estonia	2000		Forestry Development plan for 2001-2010	Stakeholders involved, working groups set up
Finland	1998	1999	Finland’s National Forest Programme 2010	Designed to meet new international forest policy norms. A process involving widespread participation.
Germany	1999	2000	National Forest Programme	Based on IPF Proposals as abroad inter-sectoral approach. Scientific analysis, widespread consultation.
Greece			Six-year development programme	Basis for EU funding
Lithuania	1994/96		Forestry and Wood Processing industry Development programme	Action Plan (to 2023). Links to rural development.
Norway		1999	White Paper on forest policy	Continuous process, with linkages to other sectors
Poland			Preparing to launch nfp	Forest policy approved 1997. In conformity with EU documents
Portugal		1999	Plan for the Sustainable development of the Portuguese Forest	Result of a participatory process, linked to other sectors. Sets up Regional Forest plans and Forest Management Plans
Sweden			Forest Policy last evaluated 1997	Emphasis on extension (“Greener forests”)
Switzerland			Under preparation	Delayed by storm (“Lothar”)
Turkey	1997	2000	Forestry Master Plan 1990-2009, to be revised/widened	Forest sector review and Eighth Five-year Development Plan in place. assistance from FAO, World Bank
United Kingdom		1994	UK Sustainable Forestry programme, now under revision	Forestry strategies for England (done), Wales, Scotland

Legal framework

11. Many countries described the laws in place, and the legal basis for the forest sector. Despite the interest of this information, it was not possible even to summarise it here.

12. The main recent changes in the legal framework are briefly described below

- In **Albania**, the Forest Law was revised in 1992, at the beginning of the transition process. At present the 1996 law on transferring use and administration of forests and pasture lands to communes is under active consideration for revision. This regulation is the primary mechanism to implement the very innovative decision to hand over forest lands for the use, control and management of communes. Concern was expressed however about the enforcement capacity as other agencies sometimes do not co-operate with the forest authorities.
- The Forest Law of **Cyprus** was last revised in 1999.
- In **Estonia**, the Forest Act has been in effect since 1998, and has been implemented through a number of regulations on such matters as forest monitoring and assessment, classification of biotopes, forest seeds and vegetative reproduction material etc. The Law on Protected Natural Objects will be revised in 2000.
- Forest legislation in **Finland** was completely reformed in the late 1990s with a new Forest Act (1997), the Sustainable Forestry Financing Act (1997) and the Nature Conservation Act (1997). Now the focus is on implementing the new legislation that is going smoothly. These acts and their accompanying regulations, however, set minimum requirements: a forest owner who wants to achieve both profitable timber production and good forest ecosystem management ought to manage his forests better than the law prescribes. Silvicultural recommendations have been drafted to help private owners achieve this goal.
- The **Greek** Constitution protects forests, notably by prohibiting any changes in forest land use, unless in the public interest. A number of decrees translate this into practice.
- In **Lithuania**, the Forest Law was passed in 1994 and revised in 1996. It is the basis for a number of regulations (e.g. on rules for forest harvesting and for roundwood marketing, both promulgated in 1999). The Law will probably be revised in 2000. Also relevant are the Law on Restoration of the Right of Ownership (1991, revised 1991-97), where customary and traditional rights of forest owners have been promoted, and the Environmental Protection Law (1992, updated 1996 and 1997).
- A new Forest Act is under preparation in **Norway**. It will follow the same broad lines as the present Act but will stress the responsibility of forest owners to manage their land and take environmental considerations and international commitments fully into account.
- The **Polish** Forestry Act of 1991 was amended in 1997, to support the intention to improve environmental protection. In particular the scope of forest management was extended beyond the individual stand to the entire ecosystem. Improvements in the legal system are designed to accelerate and intensify efforts to adjust environmental protection laws to EU standards, to have legal basis for co-operation with other sectors of the economy, and to provide a legal and financial basis for supporting costs of conserving biodiversity.
- The legal framework of the **Portuguese** forest sector was completed in June 1999 with the decree laws which created the Regional Forest Plans (RFP) and the Forest Management Plans (FMP). RFP will be drawn up for 21 regions of mainland Portugal and the FMP will regulate all forestry intervention at the management unit level. They are mandatory for State owned, State managed, and communal forests and for large private forest holdings. The EU Birds and Habitats directive was applied in Portugal, and 21% of the area of mainland Portugal was included in the Natura 2000 network. Also in 1999, a new decree established the framework for use of non-indigenous forest species, including a list of forest species that can be used in afforestation projects.

- Forestry in **Switzerland** is regulated at the federal level by the 1993 Forest Act, which provides, among other things, for information and participation by stakeholders, for setting minimum requirements for forest management and planning and a framework for public funding. The Swiss Confederation is responsible for overseeing the implementation of the legislation and developing national policies and strategies, while the cantons adopt executive regulations and are responsible for application in their territory.
 - Two Articles in the **Turkish** Constitution of 1982 deal with forests, and the original forest law of 1924 has been frequently updated and revised. The Ministry of Forestry issues regulations and guidelines to implement these laws. Recent amendments and regulations concern national parks and protected areas, relations with forest villages (rural development issues), afforestation, etc.
 - In the **United Kingdom**, forestry is regulated by the Forestry Acts of 1967 and 1979, and the Plant Health Act 1967, as well as a number of regulations. The Wildlife and Countryside Act (1981) is also important.
13. It is apparent from the above overview that European countries overhaul their legal framework for forestry when necessary, notably when there are major changes outside the sector. Examples of developments which have necessitated changes in the forest law in several countries in the 1990s are the transition process, notably property restitution and organising the new relationship between the state and the private forest owners, devolution/regionalization of political power, changing environmental demands, a greater stress on participation in forest decision making, the interaction with other sectors of government and the economy (agriculture, rural development, energy etc.), and the need to find new ways of financing SFM now that the economic viability of forestry financed exclusively from wood sales is becoming doubtful in many regions.

Institutional framework

14. Countries reported on the institutional framework for their forest sector, providing, in some cases, considerable detail of the functions of the various agencies, and their relationship to each other. The main changes in recent years and significant concerns are summarized below:
- In **Albania**, there is concern about the forest service's capacity to enforce the forest laws, as there is frequently no support from other agencies, and there are sometimes conflicts with laws for other sectors, such as environment or mining. There is a need to find sufficient resources for technical training schools and to reinforce extension services. The Directorate General of Forests and Pastures, the national forest service, has been streamlined and reorganized.
 - In **Austria**, the ministries of Agriculture and Forestry and of Environment have been merged to form the Federal Ministry of Agriculture, Forestry, Environment and Water Management, which is responsible for all aspects of forest policy issues. A contact platform has been established on international forest policy issues, involving all relevant major groups, stakeholders and NGOs.
 - In **Estonia**, the state's regulation/authority functions are kept separate from the ownership and administration of the state's forests. Responsibility for forestry is with the Ministry of the Environment. The Forest Department has the main responsibility for policy, while the State Forest Management Centre acts as a profit-making organization in the administration of the state forests.

There are also environment services responsible for implementing national policies at the county level, and county forest councils to co-ordinate forestry related activities. There are also private forest owners' organizations.

- In **Portugal**, there have been significant changes in the structure of the forest administration. The Directorate General of Forests (DGF) is the central body responsible for policy development, planning, studies and international affairs. The regional forest services have been transferred to the Regional Administration of Agriculture. The DGF also monitors the fulfilment of regulations within the framework of forest policy. This change aims to reinforce the support given by the administration to private forestry, which includes also decentralisation and the development of new partnerships.
- The **Turkish** Ministry of Forestry has four general directorates; forest (i.e. economic management), afforestation and erosion control, village and forest relations and national parks and hunting/wildlife. It has a well-established central and provincial organization.
- In the **United Kingdom**, devolution has brought about major changes. Forestry has become a devolved matter. The Ministry of Agriculture Fisheries and Food has responsibility for forestry in England, the Scottish Executive has responsibility for forestry in Scotland and the Welsh Assembly for forestry in Wales. For matters affecting the UK as a whole, the Ministry takes the lead. The Forestry Commission and the Northern Ireland Forestry Service are the Government departments responsible for advising the UK forestry ministers on policy and implementing it. The Forestry Commission remains a Great Britain cross-border Government department serving all three countries and is able to develop policies tailored to the needs of each country.

Sustainable forest management: criteria and indicators, certification and standards

15. The debate on sustainable forest management (SFM) which has taken place at the national, regional and global levels over the last decade has turned around two questions:

- What is sustainable forest management and how should it be measured?
- How is one to verify and demonstrate that a particular forest is managed sustainably?

Many countries reported on developments as regards the interlinked questions of criteria and indicators (C&I), forest management standards and certification systems.

16. As regards C&I within the overall framework of the Pan-European Process:

- In **Finland**, a new working group was appointed in 1998 to revise the national set of C&I. In a participatory process, a large number of organizations are working together to produce a revised set by September 2000. They are used to monitor progress in implementing the various international commitments and the nfp.
- **Norway** has developed a national set of C&I, which are based on, and fully compatible with, those approved at the Lisbon Ministerial Conference. They are significant tools for policy development, policy monitoring and reporting.

- C&I for SFM at the forest management unit level were developed in **Portugal**, in a first phase as a support tool for a series of pilot projects to demonstrate SFM at field level. There has been a widespread process of consultation and it is expected to release the final version in August 2000.
 - Indicators of SFM are being developed for the **United Kingdom**. The indicators will adopt the framework of the Pan European Criteria and Indicators, but will also have to address the requirements for monitoring in the UK Forestry Standard and the country Forestry Strategies. Where possible, the indicators will use the terms and definitions agreed for the Temperate & Boreal Forest Resource Assessment 2000. Consultation on the indicators will take place during 2000-01, with the aim of publishing an initial set of indicators in 2001.
17. A few countries developed national forestry standards over the past two years, intended both as tools of forest policy and to integrate the national forest management practices into the international structures being set up in the context of certification systems:
- In **Estonia**, a working group was established to draft the Estonian Sustainable Forestry Management Standard, based on the Forest Stewardship Council (FSC) Principles and Criteria, although the intention is to apply for acceptance by both FSC and Pan-European Forestry Certification (PEFC).
 - In **Switzerland**, associations and organizations, with the Swiss Forest Agency, defined the requirements to be met by forestry for forest certification in Switzerland. The National Standards for Forest Certification in Switzerland supplement existing provisions and should be applied in addition to legislation in force. For instance they have stricter requirements on the use of introduced species, leaving dead wood in the forest and the creation of forest reserves.
 - The **UK** Forestry Standard brought together in 1998 the criteria, indicators and standards for sustainable management of forests in the UK, detailing practices for use at the national and individual forestry level, and providing an opportunity to monitor UK forests and express a vision for UK woodland in the future. It provides a basis for grant schemes, forest design plans, and research priorities.
18. Forest certification relates to agreed upon standards which forest management must conform with to be considered “sustainable”. Over the period in question, many countries defined their attitude to the options for forest certification which have been developing, deciding which strategy was most fitted to their position and priorities. There are however several countries which did not report any developments in the field of certification, another indication that in some parts of Europe, governments do not attach priority to this controversial topic.
- In **Austria**, as a private initiative the forestry and the forest industry sector have decided to join the PEFC. The PEFC system well suits the forest ownership structure in Austria, with 80 % private owned land and a majority of small forest owners. The Austrian scheme has been established, and it is expected to have Austrian PEFC certified timber by the end of this year.
 - The **Estonian** Sustainable Forestry Management Standard, based on the FSC Principles and Criteria, was drawn up and reviewed. The questions of group certification and chain of custody were also analysed from an Estonian viewpoint. The intention is to apply for acceptance of this standard by FSC, and to test it in practice, as well as to make the first assessment of the PEFC scheme.

- The **Lithuanian** Department of Forests and Protected Areas analyzed, starting in 1997, the merits of the different certification schemes from the Lithuanian standpoint, considering the interests of all stakeholders. Since 1999, Lithuanian representatives have been participating in the PEFC process, and preparations have started to become a member of PEFC. The Department also implements certification in Lithuania: it is planned that the forests of two state forest enterprises, for a total area of 100,000 ha should be certified according to FSC principles and a certifying company has been engaged.
 - In **Portugal**, two complementary approaches are being pursued: the development of a national standard and the adaptation of PEFC to national conditions. For the first approach, the a technical commission has been established to develop a national standard to address issues like tracing, criteria and indicators at forest management unit level and good practice. The national standard is closely related to ISO 14001, although it cannot be considered an official adaptation thereof. A national group was also created to adapt PEFC to Portuguese conditions. The results of the above technical commission will be considered for submission to the PEFC Council as soon as they are available.
 - In **Sweden**, there are two private certification initiatives and no public ones. A Swedish FSC working group was established in 1996, the standard was accepted by FSC in 1998 and at present over 9 million ha have been certified to FSC standards. The Swedish Federation of Forest Owners and the regional associations of forest owners have developed their own standards, adapted to family based forestry and they are now working together with sawmilling associations under the umbrella of PEFC. A common feature of the regional standards is that they are attached to EMAS and/or to ISO 14001. A Swedish temporary PEFC Council was established in December 1999 and made a proposal for a Swedish PEFC standard, which was submitted to the PEFC European Council for approval. The objective is to develop regional standards in accordance with the national standard. The existing standards of the forest owners associations will be attached to these standards; 953,000 ha are certified according to these standards.
 - In **Switzerland** also, there are two parallel approaches, FSC and the Swiss “Q” Label, based on ISO 14001. It is planned to have the “Q” Label recognized by PEFC. The requirements for forest certification in Switzerland were defined through the national standard mentioned above. There is increasing interest in certification, and all stakeholders need clear guidelines. A presidential conference will formulate practical recommendations during 2000, based on the results of parallel certifications running in test areas. The aim is to continue to harmonise existing systems.
 - The **UK** Woodland Assurance Scheme (UKWAS) was launched in June 1999. It is a voluntary scheme developed by a partnership of forestry and environmental organisations in response to growing consumer demand. The scheme is designed to provide independent assurance that wood comes from sustainably managed sources. In December 1999, the entire estate of the Forestry Commission qualified for certification under UKWAS.
19. The above brief overview shows that in several western European markets, and in countries exporting to those markets, varying systems are becoming operational rather fast, and that there is often coexistence of two international certification schemes (FSC and PEFC) and a national system. Efforts are being made to minimise the divergence of content between the different systems, notably through

the use of widely accepted national standards, emerging from participatory processes, bringing together all stakeholders (Estonia, Portugal, Switzerland, UK)

Conservation of biological diversity

20. As mentioned above, under policy objectives, all countries attach great importance to conservation of biodiversity, and most report the existence or creation of a network of forest protected areas. Among other specific measures mentioned were the following:

- Identification of areas for protection under the programme Natura 2000, and various EU directives e.g. on Wild Birds (Austria, Estonia);
- Strategy to implement the Conventions on Biological Diversity (Austria, Germany, Turkey) and desertification (Turkey);
- Inventories of sites and other parameters of relevance to biological diversity (Austria, Norway, Sweden);
- Environmental impact studies as part of forest strategies (Finland);
- Training and extension programmes on biodiversity (Sweden).

The international dimension in national forest policy

21. There is an increasingly intense interchange of ideas and commitments between the national and international levels of forest policy. It is clear from the national reports that international documents have a direct influence on national policy, even if, as is usually the case, the international texts are not of a legally binding nature. Many countries reported the setting up of special arrangements to implement the commitments they had made in international fora. The international agreements, resolutions etc. which were referred to by the reporting countries are as follows:

- UNCED and IPF/IFF
- Convention on Biological Diversity
- Convention on Desertification
- Framework Convention on Climate Change and its Kyoto Protocol
- The three pan-European Ministerial Conferences on the Protection of Forests in Europe
- The EU Forest Strategy, and various forest related directives (EU members and candidates)
- EU regional programmes
- Natura 2000
- International Year of the Mountains

Transition issues

22. Those reporting countries which are in the transition process, drew attention to a number of features which had to be taken into account in their forest policy and practice. Some of the most important of these are as follows:

- restitution and/or transfer of ownership either to private individuals (Czech Republic, Estonia) or to communes (Albania);

- need to support the private sector, by training and extension;
 - need to raise awareness of forest issues at the highest political levels.
23. However, it is possible to observe increasing convergence between the pre-occupations of this group of countries and the others. In fact, many of the transition countries have highly modern and coherent forest policies, as they have been comprehensively re-examined and reviewed in the light of recent thinking.

Economic viability of forestry

24. A number of countries mentioned the interlinked questions of the economic viability of forestry and of compensation to forest owners for supplying non-wood benefits, such as biodiversity, recreation or landscape. Switzerland noted that because of low wood prices and high harvesting costs, and despite an improvement over the past two years, forest enterprises had a deficit of CHF 29 million in 1998, or CHF 12/m³ harvested. It also noted that the trend in Swiss forests towards older, thicker trees runs contrary to the trend of the timber market, which favours smaller trees. This could lead to many forest owners being left unable to sell their large sized timber. Their investments made over a century or more would have to be written off.
25. Poland made a strong statement, as follows “the biggest obstacles on the way to durable and sustainable forest management of forests lie in the realm of finance and particularly in the profitability of forest management. The economic standing of forestry in Europe has declined along with eroding profit margins of forestry companies, the lowering of social security standards, a decrease in the social status of foresters and a diminishing number of career opportunities available in forestry. Due to the meagre share forestry production has in national revenues and the state budget, forestry management is relegated to a marginal role in economic strategy planning. The significance of forestry as driver of economic growth is low (with the exception of Scandinavian countries). In fact the economic impact is not a reliable basis for building forest management’s position in the macro-economy. The significance of forestry can be seen much better from the regional perspective. At a time when developed countries cut back on public spending and reduce subsidy funds, pressures to promote non-productive functions of forests clash frequently with financial policies. Once more emphasis is placed on environmental protection and the pro-social approach, the Polish forest management is likely to see its profitability decline. As long as forestry derives most of its revenues from the sales of timber, it’s not in a position to run environmental protection programmes without
26. The secretariat believes that similar positions exists in many countries, and invites delegates to the joint session to indicate their view of the economic viability of forestry in their country, and of the need for subsidies and/or payments for non-wood goods and services provided by forests.
27. In this context, some countries mentioned programmes to mitigate this situation:
- **Finland’s** Act on the Financing of Sustainable Forestry guarantees State subsidies for such management activities in private forests which themselves would not be profitable for the land owner,

notably pre-commercial thinning. Forest owners can be provided with financial support for the maintenance of biological diversity in their forests. The forest owner can be provided with partial or total financial support for the economic losses caused by maintaining biological diversity, especially with respect to “special importance” habitats.

- The **Swiss** project VAFOR (**Valorisation of Forests**) aims to encourage forest owners and enterprises to develop a spirit of enterprise, notably in offering certain services against remuneration, so that the many beneficiaries of forest services, especially for recreation, sports and tourism, contribute to the costs of tending, thus providing a third source of revenue in addition to wood sales and public funds. VAFOR is an ambitious project with long term goals and cannot really expect quick results. The main difficulty is in finding appropriate products and services, developing them and selling them under market conditions.

Conclusions

28. The main features of the situation over the past two years, as reported by countries, can be summarized as follows:

- Forest policies are under intense scrutiny and being rapidly updated to take account of recent developments, inside and outside the sector;
- Increasingly, European countries are initiating nfps, with a participatory and holistic approach as defined by IPF/IFF;
- National forest policies are being altered to take account of the results of the international forest dialogue at the global and regional levels, and of the commitments made there;
- Especially profound and rapid changes are necessary in those countries in transition, notably to manage the restitution process and to help and guide the many thousands of new, small-scale forest owners;
- Within the Pan-European Forestry Process, thirty-seven European countries are participating in the development and implementation of criteria and indicators for sustainable forest management, and have progressed to varying degrees in the adaptation of the commonly agreed upon set to national conditions and needs;
- Certification schemes are being implemented on the ground in a pragmatic way, with coexisting international (FSC and PEFC) and national systems. To avoid disruption and confusion from differing standards or techniques of forest management being called for by different certification systems, some countries have developed consensus based national forestry standards to which all certification systems can refer;
- A major issue is the economic viability of European forest management;
- Participatory processes are being used increasingly in all parts of the forest sector.

29. Delegations are invited to discuss the national reports and the synthesis above, drawing attention to the points they consider most important, and indicating whether any changes are necessary in the activities of ECE/FAO in the light of this review. They are also invited to authorize the publication of these documents modified with the comments received during the meeting.