

**National Report to the Third Session of the  
United Nations Forum on Forests**

**HUNGARY**

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## **II. Progress and issues related to implementation of IPF/IFF proposals for action**

### **General**

#### **1.1 Assessment of the IPF/IFF proposals for action**

The last comprehensive survey of the implementation of the IPF/IFF proposals for action was completed in the course of the preparations for CSD VIII in 2000.

#### **1.2 Development and implementation of the national forest programme**

Hungary decided to initiate a National Forest Programme (NFP) process according to the international standards in the year 2001. The Forestry Department of the Ministry of Agriculture and Rural Development mandated the Forestry Committee of the Hungarian Academy of Sciences and the Institute of Forest Assets Management of the West-Hungarian University to lead this work, and the NFP Programme Bureau was established to coordinate the project. The goals of the NFP Hungary are in line with those set by UNCED and later IPF/IFF, and the guidelines and settings for an NFP as being formulated by the Ministerial Conference on the Protection of Forests in Europe (MCPFE). The Hungarian approach has country-specific features as well. The two main parts, the strategy and the programme planning are separated from each other.

The **National Forest Strategy** is defined in Hungary as a national level document on long-term principles and objectives of forestry and is based on a holistic approach. The **National Forest Programme** is based on the principles and guidelines of the National Forest Strategy.

The main task of the strategy part is to determine long-term aims and goals for the role of forests and the forestry sector. The programme part has a time horizon of 10 years and should ensure the implementation of the strategic goals within the given time frame. A key element of the process and one of the main success criteria is the participation of the different stakeholders, such as the forest owners and managers or their associations, representatives of the different sectors, local governments, non-governmental organisations (NGOs), civil organisations etc.

The planning process reached the end of the preparatory phase with the beginning of public discussions about the White Book (experts' proposal of action) in October 2002 and will be terminated as planned at the beginning of 2004.

The planning phase is set up by:

- A) expert level meetings with the final result of the experts' proposal for action and guidelines (the so-called White Book) and
- B) public discussion which is based on the White Book.

*Table 1: Implemented phases of the NFP Hungary by January 2003*

<b>Expert level (phase I)</b>	<p><i>Task:</i> Status evaluation  <i>Duration:</i> June 2001 – December 2001.  <i>Participants:</i> 15 invited experts  <i>Method of work:</i> Expert studies  <i>Result:</i> Report on the current situation of the forestry sector</p>
<b>Expert level (phase II)</b>	<p><i>Task:</i> Elaboration of proposals for operative sub programmes of the NFP concerning 6 topics in 6 meetings, elaboration of proposal for the strategy principles  <i>Duration:</i> January 2002 – July 2002.  <i>Participants:</i> 70 invited experts in 6 working groups  <i>Method of work:</i> Working group meetings and discussions  <i>Results:</i> 6 proposals for sub-programmes by 6 expert groups</p>
<b>Expert level (phase III)</b>	<p><i>Task:</i> Drafting of the White Book, discussion of the results of Phase II and the draft of the White Book</p>

	<p><i>Duration:</i> July 2002 – 11 September 2002.  <i>Participants:</i> 70 Experts involved by invitation  <i>Method of work:</i> Draft compiled by the NFP Programme Bureau, expert evaluation, final general editorial meeting  <i>Results:</i> Draft of the White Book August 2002, White Book published in September 2002</p>
<b>Public discussion phase I</b>	<p><i>Task:</i> Discussion of the White Book as expert proposal, involvement of the public in the forest policy making  <i>Duration:</i> September 2002 – summer 2003.  <i>Participants:</i> Stakeholders and anyone concerned or interested  <i>Method of work:</i> Public discussion forums at the national, regional, and local levels, evaluation sessions of the expert group every 3 months  <i>Results:</i> Proposals to be included into the NFP</p>

Presentation of the results and main findings of the public discussion is foreseen by September 2003. The experiences of the first phases are very promising. The White Book was prepared with kind contribution from several experts, and its presentation attracted considerable attention. The discussions at various levels are indicating devotion and commitment to forestry issues by a much larger segment of the society than seen ever before.

### 1.3 Mechanisms or initiatives to facilitate stakeholder participation in forest sector planning, decision-making and/or forest management

The nfp process resulted in new potentials for multi-stakeholder discussion of forestry issues. The stakeholder participation was facilitated in the expert level phase by invitation of experts or representatives of different interest groups, such as forest administration, forest owners, private and state forest management, forestry sciences, forest based industries, other sectors of the economy and the civil society (see Table 2). The experts were invited by the NFP Programme Bureau, which serves as a neutral secretariat.

The public discussions are largely stimulated NFP Programme Bureau but any other organisation or institution, association, etc. is eligible for organising discussion forums. Experiences show that the Agricultural Chamber is a very able partner in conducting such forums. The views and opinions gained through these fora will be synthesized and included in the planning documents.

Table 2: Participants and stakeholders in the NFP process of Hungary

<b>Planning phase, expert level</b>	<ul style="list-style-type: none"> <li>➤ State Forest Administration (Forestry Department of the Ministry of Agriculture and Rural Development, State Forest Service)</li> <li>➤ Research Institutions (Forestry Faculty of the West Hungarian University, National Forest Research Institute, Academy of Sciences of Hungary)</li> <li>➤ Representatives of the forest and land owners, state and private</li> <li>➤ Representatives of the forest manager party, state and private</li> <li>➤ Representatives of concerned state authorities – forestry and environment, hunting and game management)</li> <li>➤ NGOs – environmental, environmental education, nature protection, tourists</li> <li>➤ Other sectors' representatives: industry – forest based industry, energy industry, agriculture (Agriculture Chamber)</li> <li>➤ Others: labour units representatives</li> </ul>
<b>Planning phase public discussion (Organisers of meetings)</b>	<ul style="list-style-type: none"> <li>➤ President of the Republic of Hungary as patron of the Programme</li> <li>➤ Parliament Committee on Agriculture, Sub-committee on Forestry</li> <li>➤ Regional Development Agencies</li> <li>➤ Agriculture Chamber on national and county basis</li> <li>➤ Forestry Association of Hungary</li> <li>➤ Association of Wood-working Enterprises</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Local governments of municipalities and cities</li> <li>➤ Centres of National Parks</li> <li>➤ Institutions of education of different level</li> <li>➤ Civil associations</li> <li>➤ Representatives of the media, press, television, radio, internet</li> </ul>
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Beside the above described nfp process, the most important step in achieving wider stakeholder participation was taken as the Forest Act (Act LIV of 1996) came into force in 1997. The new law established an improved instrument for discussing forest-related issues in connection with the regional forest management planning process.

Forest management plans had long been based on conceptual negotiations between the plan maker government organisation, the other involved bodies of the administration and the forest manager. When the concept of regional management planning was introduced this resulted in a situation where such a management plan (as a framework for the forest management of a certain region comprising several forest management units and owners) needed the input and feedback of the stakeholders. In order to achieve this the law defined two meetings in the course of the preparation of each plan:

- one meeting to be convened at the beginning of the work to clarify local needs, intentions and potentials and agree on common principles to be applied during planning;
- one meeting at the end of the work to present main finding and results, and allow stakeholders to discuss, evaluate, comment.

Both meetings have to be documented according to the rules of the functioning of the public administration and support the approval process.

Participation in such meetings is easy to ensure in case of public bodies and large companies, but small private owners are more difficult to mobilise, therefore their organizations and associations, the chambers and even the notaries of the local governments are important contact points in transmitting information and establishing communication along the lines defined by the law.

Another interesting attempt for widening multi-stakeholder dialogue on forestry issues was the pilot project on forest function planning. This is a concept for preparing such regional development plans, which are focused on forests and forest development, but wider in scope and less forestry-specific than the regional forest management plans. These forest function plans include – beside all traditional forest-related issues – potential afforestations, recreation oriented development or investments, environment and nature protection, protection of settlements and human infrastructure (green belts), water sources and reservoirs. These plans can well be considered and discussed by non-forestry fora, such as local or regional governments or the regional development councils.

The results of the pilot projects completed in two counties were very well received, and proper position of such plans should be sought in the future.

## **Economic aspects of forests, including trade**

### **2.1 Valuation of forest goods and services**

It is a widely held view that proper valuation of goods and services from forests is one of the keys to economically sustainable forest management. Forest valuations were used in an ad hoc way in certain cases when strategic decisions needed such support (eg. transferring the management of certain state assets).

Forest valuation has become a major task for the National Land Fund, a body established in 2002 to take care of land in public domain. The respective regulations ordered the Fund to monitor the value of forest land and growing stock, and carry out such valuation on a regular basis.

It must be born in mind however that forest valuation still needs conceptual and methodological development, so most of the activities aimed at research and education rather than practical implementation.

**i) activities taken**

- in the forestry education and research forest valuation became an independent subject within forest economics;
- the Forestry Faculty organised post-gradual education in the subject to help building up new capacities among practitioners;
- forest assets of the state forest companies (about 60% of the total forest of the country) were valued in the year 2000.

**ii) progress made**

- a new book was published on the most recent research findings (Márkus-Mészáros: Forest Valuation) and followed by several research papers;
- education of forest valuation became part of the higher education. About 120 forest engineers got special post-gradual education in the subject;
- Monitoring of value of land and growing stock of public forests became the mandate of the National Land Fund.

**iii) lessons learned**

- market-based valuation of forests and expression of value in monetary terms is possible mainly for the forest land and the growing stock components under the current conditions in Hungary;
- valuation of other components needs substantial research and development;
- forest valuation needs official guidelines and the activity of such experts should be regulated

**iv) constraints encountered**

- well-accepted micro-economical methods for valuating infrastructural forest functions (Travel Cost Method, Contingent Valuation Method, Hedonic Price Method) have not been used in Hungary yet, not even on the experimental stage;
- in the absence of a real land market, market values of such functions are not available;
- because of the high level of uncertainty in valuating infrastructural functions and environmental values and investments the accuracy of the valuation can not be defined.

**v) initiatives planned**

Within the framework of the National Research Development Programme (NRDP) the research project “Protection, sustainable use and development of the Hungarian forest resources” was accepted for being financed between 2002-2005 with the aim of basic and applied research as well as development of practical applications;

**vi) the role of enhanced cooperation and policy and programme coordination**

- the development of forest valuation is fostered by the establishment of new research priorities within the NRDP;
- cooperation between the National Land Fund and the State Forest Service is foreseen to foster monitoring of forest values and development of supporting information technology.

**2.2 The amount, scope, or quality of market data and information for wood and non-wood forest products and their substitutes**

Information on wood production is generated traditionally by the forestry administration. The functioning of this system was not altered by the changes in the ownership and management of forests. However, the quality of data on the production of assortments as well as on primary products of the wood processing industry deteriorated considerably in the early phase of the transition, and it took several years to reach an improvement in this field. With the exception of game and honey very little information is available on non-wood goods, products and services.

**i) activities taken**

Data collection in the statistical system includes forest resources, harvesting and regeneration, wood assortments in the raw, primary wood products (sawn wood, boards etc.), foreign trade, prices. Data are used in the policy and strategy formulation by the Ministry of Agriculture and Rural Development on one hand, and they contribute to the national statistical system on the other hand.

**ii) progress made**

The responsibility for gathering and processing different statistical data was transferred to the State Forest Service from a number of organisations working in this field before. With this all available information from resources to products and trade moved to the forestry administration, allowing sound analysis of the sector. A new sampling method was developed to monitor wood processing in the private sector and to improve the reliability of data especially for the small enterprises.

**iii) lessons learned**

There are serious limits to motivate data providers to fulfil their reporting mandates and innovative methods are needed to upscale results where data does not provide full representation. Most of the non-wood goods and services are missing from the statistical system, very little is known about their role, quantities and market flow. Some of them, such as game, honey, mushrooms, Christmas trees, recreational services are important in economical terms and the reliable information is needed for the proper economical analysis of the forest sector.

**iv) constraints encountered**

There is a need to develop new capacities for collecting reliable data on NWGS and their markets. However, data sources are scarce and data collection is difficult to manage. The dimension of the difficulties are well reflected by the fact that no solution to the problem was found in a recent project aimed at the accession to the European Union in the absence of applicable methods in the member states.

**v) initiatives planned**

In order to monitor and better understand the functioning of the small forest management units and forest industry enterprises a network of test enterprises is being set up. This network is expected to contribute to informed decisions in the field of forestry as well as rural development.

**2.3 Use of economic and policy instruments to facilitate progress toward sustainable forest management****i) activities taken**

Beside the use of the traditional elements of the national subsidy scheme (which included subsidies for afforestation, regeneration, cleaning, selective thinning, conversion of certain forest structures, forest railroad maintenance) and which were available mostly on a normative basis, several elements were introduced to motivate forest managers to cope with the new tasks and non-forest land owners to consider forest management as an alternative in the restructuring of the agriculture. The source of these subsidies was mostly the contribution paid by the forest owners after each m<sup>3</sup> of commercial wood harvested, but afforestation was financed from contribution by the state budget. Initiatives were taken to reform the system and widen the scope of subsidies and introduce new means such as tax incentives, as well as to increase the available resources as new tasks require.

**ii) progress made**

As a result of the above developments the forestry subsidy scheme became the part of the overall subsidy system of the agriculture and new elements were introduced. The functioning of this system is regulated by a decree of the minister for agriculture annually. The recent subsidy scheme is focused on several main objectives as summarized below:

<b>Objective</b>	<b>Type of subsidy/action subsidised</b>
safeguard forest health and vitality	sanitary felling of trees damaged by unknown cause; functioning of the forest health monitoring network; rehabilitation of forest regeneration degraded during the transition period; regeneration on marginal sites; rehabilitation of forest damaged by draught or floods
enhance SFM	preparation of management unit level forest management plans; use of environmentally sound, special management techniques; regeneration and tending of young stands
improve non-wood services	installation and maintenance of recreational and park forest facilities;
support to private forestry	establishment of associations/cooperatives; investment in forestry machinery; integration of small management units/properties; extension services
increase forest cover	afforestation

Forestry operations are supported through taxation as well by providing redeem of tax on gasoline and giving exemption from personal income tax in case of income from forestry below a certain, predefined level.

One of the most important results is that the subsidies on afforestation attracted considerable attention and were able to motivate land owners to invest in such programmes. Afforestation was traditionally a priority in Hungary (more than 700,000 ha in 80 years), but during the early years of the transition concerns and weak budgetary resources resulted in low amount of annual afforestation. In the most recent years the area of new forests reached the 15,000 ha annually. This is almost exclusively on private land. Currently an afforestation program for 2001-2010 is implemented with the provision of about 10-15,000 ha of new forests in each year.

### **iii) lessons learned**

- While several elements of the system were very successful in terms of initiating activities, some other forms attracted less attention. Better communication of forest policy issues and the corresponding financial means is needed.
- Considering the manifold challenges in forestry and the increasing social demand for non-marketable services, more contribution from the national budget is needed, even though there was a considerable development in this field during the last years.
- More attention should be paid in the future to the promotion of sound use of wood.

### **iv) constraints encountered**

- The transformation of the ownership and the creation of functioning private forest management units after this seems to be a much larger task than it was thought to be. The resources allocated for this did not prove lucrative enough to accelerate the process.
- Especially in the mid-nineties the weak budgetary conditions seriously limited the available resources.
- The rehabilitation of some unforeseen and thus unbudgeted disasters, such as draught or flood posed a serious challenge when they appeared and mobilising extra resources was difficult.

### **v) initiatives planned**

Obviously, the biggest challenge is related to the accession to the European Union. The whole subsidy system is under revision, the screening of the legal background is already completed. Work on harmonising the current system with that of the EU is on its way, and the elements of the national system will be adjusted to the EU schemes. This will result in a modified regulation of the subsidy scheme and inclusion of new priorities.

#### **vi) the role of enhanced cooperation and policy and programme coordination**

As a result of the most recent developments forestry is recognised also as an important element of rural development. This recognition results in joint actions in priority setting and allocating financial resources. It is foreseen that several forestry activities including afforestation and rehabilitation of degraded or damaged forests will enjoy contribution from resources established for supporting rural development. Forestry is also recognised in the agri-environmental programmes.

### **3.1 Efforts to reduce negative impacts of trade**

Due to the well-established procedural and institutional system trade traditionally does not have a sensible negative effect on forests. However, some symptoms and side-effects of the overall economical and social transition increased the threat of illegal felling and the associated trade. The forest sector experienced a substantial reorganisation in the transition period. This process together with the aforementioned side effects required special control measures in order to minimize harmful effects.

#### **i) activities taken**

Trade of forest products, including wood, is determined by the general characteristics of the forest. Because of the tree-species composition Hungary is an exporting country of broadleaved wood products and coniferous pulpwood, whereas she imports coniferous wood and certain raw materials of the paper industry. This trade is properly regulated by the market conditions and the respective elements of the legal background and does not require any special actions.

#### **ii) progress made**

The forest sector was characterized by export-oriented activities in the last decades. The composition of the export changed in some way, especially through producing more value-added products and moving from exporting raw material, i.e. wood in the raw towards exporting finished or semi-finished products, first of all in case of broadleaved hardwood (e.g. parquet). The production of different boards (ply-, fiber-, particle-) increased resulting in larger demand for wood and wood residues.

#### **iii) lessons learned**

The economic transition brought an increasing potential for export, but this new potential was strongly limited by the constraints as described below, as well as the increasing concurrence from imported products.

#### **iv) constraints encountered**

The traditional export oriented nature of the sector was strengthened by a new factor during the transition process: the weakened domestic demand was not able to absorb the products of the existing capacities. In addition, the privatisation of the wood processing capacities often resulted in new ventures weak in or lacking capital. The economical development of the last years was not enough to completely eliminate the consequences of this development.

While the development is quite satisfactory as far as quantity is concerned, most of the current problems have their roots in quality. The way of improvement is quite obvious, however the necessary financial means are not always readily available.

#### **v) initiatives planned**

As a part of the preparation for the accession to the European Union a National Development Plan is prepared, which discusses the issues of forests and forest industries as part of the rational land use policies on one hand, and as a potential for producing environmentally friendly products within the framework of supporting small and medium sized enterprises on the other hand.

The national forest programme devotes an independent chapter to the problems of wood processing and is presented for public discussion. (See also 1.2)

#### **vi) the role of enhanced cooperation and policy and programme coordination**

Several instruments are prepared simultaneously, aiming mostly the different aspects of rural and regional development. Beside the above mentioned National Development Plan and the national forest programme, the Operative Programme for the Agrarian-Rural Development is also in the phase of formulation. These projects are addressing different aspects of wood processing and trade, and are expected to identify instruments aimed at development.

### **3.2 participation in forest certification and labeling schemes and work toward mutual recognition and comparability of such schemes**

Long traditions in forest management planning and the strict procedures to control its implementation were considered sufficient tools for ensuring sustainable forest management and guaranteeing, that wood from the Hungarian forests meets all criteria of sustainability. However, the role of certification schemes was recognized. Under these conditions such schemes were not seen as tools for achieving SFM, rather they were seen as instruments raising awareness of environmentally responsible behavior.

Since the control mechanisms of the forestry administration were aiming at wood from the country's forests, the full chain of custody as well as the wood from foreign trade needed additional instruments, such as certification. It was decided that the certification process remain market driven and should develop as conditions require.

Most of the state forest companies are certified by the ISO 9002 and ISO 14001 standards. In 1999 the Association of Private Forest Owners and Managers volunteered for representing the country at the pan-European Forest Certification (PEFC) council meetings. The national PEFC Committee was established in 2002.

In addition to this the national FSC Committee was established in 2002 with the mandate of developing the national FSC standards and criteria. This work is moderated by WWF Hungary.

The work of these instruments is supported by the forestry administration as an "outside partner" and mostly by information means.

### **3.3 efforts to reduce illegal trade (exports from or imports into your country) in wood or non-wood forest products**

Illegal trade (export and import) has not required particular actions in Hungary. The illegal harvesting served auto-consumption mostly, and was seen as a side-effect of the transition process. In some cases however, the public tolerance towards such kind of illegal actions motivated by economic needs (or in some cases even poverty) was used as a cover for actions belonging to organised crime and caused severe damages in certain locations. Actions of the forestry administration (fines, control of harvesting etc) in themselves would have not been successful enough, but the improvement of the overall economic condition, the development of the private forest properties, the stronger control from the forest owners' side and the increasing public awareness together has led to the devolution of the problem, which now has local importance, and is strongly linked with the level of welfare and social security.

## **Forest health and productivity**

4. Forests are subject to several biotic and abiotic stresses. Unfavorable changes in the environment and especially adverse weather conditions are contributing to the weakening of forest health and vitality. Hungary has been participating in the work of the International Cooperative Programme for the Assessment and Monitoring of Air Pollution Effects on Forests (ICP Forests) under the 1979 Geneva Convention on Long Range Transboundary Air Pollution (CLRTAP) since 1985.

The two levels of the ICP Forests monitoring network went through a considerable evolution. Now it comprises about 1100 Level I sample plots for assessing forest health, 4400 Level I plots for increment measurements, 14 Level II plots for intensive studies, 1 ecological observation area, and 66

sample plots in a 16x16 km grid. All measurements and observations are performed according to the ICP Forests Manual except soil solution analysis. The Hungarian forest health monitoring network consists of the above system plus a grid of 25 light traps. The project enjoys considerable financing from national resources.

The network has been producing a huge amount of information on forest health and its temporal and spatial development. It revealed that air pollution is not the major reason for forest health problems. Most of the problems have their roots in climatic reasons. Hot and dry summers and mild winters often without precipitation are weakening the resistance of the trees, and at the same time, are very favorable for the multiplication of different pests and diseases.

Beside monitoring and research, forest health is promoted by financial instruments aimed at actions to eliminate or rehabilitate damages. Sanitary fellings are exempt from paying forest maintenance contribution (stumpage fee), and harvesting of trees damaged by unknown factors is further subsidized. The subsidy system contains other elements as well to encourage the improvement health and vitality. These application-based instruments are aimed at restoring the forest areas degraded during the transition process, or conversion of stands towards more resistant types close to, or identical with the natural stand types of the sites.

The international cooperation in the field of forest health monitoring has been very active since the beginning of the programme. It has brought lot of information and was one of the main engines of research and methodological development.

## **Maintaining forest cover to meet present and future needs**

5. Progress is made through the NFP process in the following areas:

- Identification of problem areas in the forest policy framework;
- Launching of problem analysis mechanism by wide stakeholder participation;
- Elaboration of means and proposals to resolve forest policy gaps by stakeholder participation wider than before;
- Increasing of forest and forestry related information in the media, but still there is much space for further development;
- Involvement of different stakeholders in open discussions helps to exchange different views. The NFP also indicates strategic thinking by the participants, which brings their views closer to the need of mid-term development and sectoral thinking. Cross-sectoral thinking and mechanism of cross-sectoral policymaking are still weak;

Lessons learned:

- The EU requirements should be considered more
- The programme's harmonisation with other national level programmes is of basic importance, otherwise a separated sector planning will be unsuccessful
- Discussion of final documents has an important role. Time for reviewing and getting acquainted with draft documents is often short and it decreases the interest of participation.
- The public's involvement and participation increases the information and acceptance level of forestry. The public and decision makers often do not know forest problems and coherences of forest related questions in detail. Their need for information of this kind is increasing.
- Regional differences play an important role in making forest policy means better functioning. Focus should be kept on this in the NFP.
- The acceptance of the NFP as a mediation platform is not recognised enough.
- Stronger and improved cooperation with rural development and environmental policies is needed.

6. The assessment of national supply of wood is by law a mandated function of the forestry administration. The State Forest Service is obliged to develop a forecast for the coming 100, 30 and 10 years and publish it. This forecast is based on the information in the forestry database and uses fairly simple projection techniques. The most recent study of this kind was published at the time of writing this report. In addition to this, other projects were also implemented to address the problem. A regional project of the Czech Republic, Slovakia, Ukraine and Hungary was completed in cooperation with EFI to assess the development of the forest resources under different management scenarios (SCEFORMA). The future supply and demand is regularly analysed within the framework of the outlook studies of the UNECE, most recently the European Forest Sector Outlook Studies (EFSOS).

The national forest programme devotes one of its six operative programme areas to the utilization of wood and non-wood forest products. The following areas are considered separately:

- sawmilling
- veneer and plywood
- particle and fibre board
- pulp and paper
- energy from wood

In addition, the future of wildlife management and non-wood forest products is also discussed. Beside the analysis of the current and future supply, the consumption is also projected and the proposals are based on these forecasts.

A different type of forecast was developed for the purpose of the new land use policy. As the transformation of the agriculture is unavoidable, alternative land uses were considered. On the basis of an agro-ecological inventory and other information sources a master plan for converting about 780,000 ha of arable and other non-forest land to forest was developed. Although the plan is conceptual with a very broad time horizon, the ongoing afforestation programme for the period 2001-2010 is considered as part of the implementation of this plan. Future implementation as well as more careful analysis of the effect of such an extensive programme on the whole sector is still needed.

## **Other information and emerging issues**

### **7.1 Economic aspects of forests**

- Economically viable forest management is largely depending on the proper valuation of forest externalities. Forest services, especially those contributing to human welfare need to be recognized in the national accounting system. Sustainable forest management, which is theoretically self-financing, can only be performed in this way if all forest goods and services have their value and this value is paid for either directly or indirectly.
- Sound use of wood needs to be facilitated and competition with substituting materials supported.

### **7.2 Forest health and productivity**

Forests are extensively affected by anthropogenic environmental factors. Forests are damaged by human activities indirectly, such as through air pollution, improper melioration, wrong decisions in rural development etc. These actions and interactions as well as the way they affect forests should be clarified and abatement strategies need to be developed.

### **7.3 Maintaining forest cover to meet present and future needs**

There is a need for continuous evaluation of forest policy objectives and proper mechanisms are needed to harmonize the development of the forest cover with these objectives. An enabling economical and legal environment is needed to transmit these goals to the level of implementation.

### **III. Preparation of the Report**

The present report was prepared with contributions from the Department of Forestry and the Department of Wildlife Management and Fisheries of the Ministry of Agriculture and Rural Development, the State Forest Service, the Forest Research Institute, the Institute of Environmental Management and the Institute of Forest Assets Management of the West-Hungarian University and the National Forest Programme Co-ordination Bureau.

Some of the above cooperating partners were recognized not only by their role in the functioning of the various forestry instruments but also by the contribution to the work of other processes such as the COP of the CDB.

As it was foreseen, the current exercise proved that multi-organizational reporting is a real challenge even on the national level. This is particularly true when the subject is highly important in political, and complex in professional terms. The partners were invited to contribute to all those points, which, in a way or other were in their field of work or directly in their competence. The respective parts of the questionnaire were sent to everyone concerned. Thus certain topics were discussed by more than one partner, which resulted in a wider set of information and approaches, and obviously a more complicated job in harmonizing the responses.

The questionnaire was found short and concise enough, but a reply with the expected level of complexity and analysis needs a considerable amount of time to prepare. This is particularly true because the level of involvement of the partners can be quite different sometimes. More time was felt needed for collecting and synthesizing relevant information. This could be considered when timing is set for future reporting.

Budapest, 20.01.2003.