FOREST INDUSTRIES INTELLIGENCE LIMITED

Efforts to promote use of wood in the EU region

A study for the Japan Lumber Inspection and Research Association

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"INFORMING THE SUSTAINABLE WOOD INDUSTRY"

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1. Introduction

This report has been prepared by Forest Industries Intelligence Ltd, a UK based consultancy, for the Japan Lumber Inspection and Research Association. The report aims to describe:

- Policy measures of central and local government to promote use of wood, especially local wood.
- Efforts by the private sector to promote use of wood.
- Future prospects and examples of noteworthy achievements to date.
- Obstacles for promoting use of wood.

The report concentrates on wood and wood products for residential and non-residential construction rather than use of wood for energy. The geographic scope of the report includes the UK, France, Belgium, Netherlands, Germany, Switzerland and Austria. Due to the increasing role of European-wide policy and private sector campaigns for wood promotion, the report begins with a summary of relevant initiatives operating at European level.

The report concentrates on "generic" wood promotion campaigns undertaken by trade associations and other technical organisations. These are campaigns designed to raise the overall profile of wood as a material and are distinct from corporate marketing campaigns of individual large companies designed to promote specific branded products. While corporate campaigns can be very effective in reaching specific users, in isolation they are not able to drive widespread behavioural change or raise public awareness in the same way as generic campaigns.

The report uses a broad definition of "government policy measures to promote use of wood". Across Europe there are in fact very few policy measures in place that explicitly favour wood over other construction materials. However, there are a wide range of policy initiatives which, depending on how they are interpreted and implemented - and crucially how effectively the wood industry responds - have significant potential to improve framework market conditions for wood products. As far as possible, the report attempts to identify the most important of these policy initiatives at European level and in each country under review.

One of the fundamental challenges in assessing wood promotion in Europe is the huge variation of supply and market situations in different European countries. Some countries have large domestic forest resources, some of which are under-utilised (France) and some over-utilised (Germany). Other countries have limited forest resources and have to rely heavily on imports (UK, Netherlands). Forest ownership structures vary widely, some countries being dominated by large publicly owned estates (UK), others having numerous small forest owners (Austria and Switzerland), and others with a wide mix of private, state and community ownerships (Germany, France). These variations have major implications for wood promotion, with different countries exhibiting a wide range of different cultural traits and attitudes to their forests and the use of wood products. As a result each country report starts with an outline of important national wood supply and demand issues that have an impact on wood promotion activities.

Another challenge in assessing wood promotion activity in Europe is the sheer level of fragmentation of the industry. There are many multiple trade associations and technical organisations in every EU market, all set up to represent the interests of their own particular group of forest owners and companies. In practice, most of these organisations rely on membership fees or voluntary contributions to fund their existence. As a result, in many countries there is a general lack of significant funding for generic wood promotion. There are also many organisations doing a small amount of promotional activity, often in an incoherent and uncoordinated way. Quite often these organisations are reactive rather than proactive (particularly on environmental issues) and are not developing long term market development strategies.

While an effort has been made to identify as many promotional organisations as possible in the time available, this study cannot be regarded as a fully comprehensive survey. However, the report seeks to identify all the larger promotional groups in each country. Many of these are producer groups that not only service their own domestic market but have sizeable exports to other European countries.

Each country report ends with a conclusion briefly outlining key obstacles and opportunities for wood promotion in that country. The full report ends with “Closing Remarks” highlighting opportunities and obstacles, which are relevant to all European wood promotion campaigns.

Information in the report draws on the following sources:

- Interviews with individuals directly involved in wood promotion. Efforts were made to talk directly to at least one individual participating in wood promotion at a high level in each of the countries studied. Discussions were also held with representatives of wood promotion initiatives operating at the EU level and with the European Commission.
- The websites of the wood promotion campaigns involved.
- Other secondary sources – for example, the UNECE Timber Committee Annual market statements proved a valuable source of information for a few countries including Switzerland and Austria[1].

[1] UNECE Timber Committee Annual Market Statements for 2012 are available at: http://www.unece.org/forests/market-statements-2012.html#c32916

2. European initiatives

2.1 European policy measures

2.2.1 Background

Numerous policy initiatives are being developed at European level which are relevant to wood promotion. Although these initiatives do not necessarily involve the provision of direct funding and other support for wood promotion, they all have potentially important implications for the marketing and relative competitiveness of wood products. If developed and implemented with appropriate recognition of the technical and environmental qualities of wood products, all the initiatives are likely to offer significant opportunities for wood products. On the other hand, if the initiatives are mishandled by policy-makers, or the industry fails to take appropriate action, then they may in some cases create new threats and obstacles for wood products. As a result, organisations leading wood promotion in Europe spend a significant amount of time and resources in following, responding to and seeking to influence these initiatives.

2.2.2 Climate change commitments

Under the Kyoto Protocol, the 15 countries that were EU members before 2004 ('EU-15') are committed to reducing their collective carbon emissions to 8% below 1990 levels by 2012. Most Member States that have joined the EU since 2004 also have Kyoto reduction targets of 6% or 8% by 2012. For 2020, the EU has committed to cutting its carbon emissions to 20% below 1990 levels. This commitment is one of the headline targets of the Europe 2020 growth strategy and is being implemented through a package of binding legislation. The EU has offered to increase its emissions reduction to 30% by 2020 if other major emitting countries commit to similar targets. The European Commission has published a roadmap for building the low-carbon European economy that this will require.

This policy commitment has implications for wood products markets on both the demand and supply side. The roadmap identifies the building sector as a priority for action, including a drive to ensure that “passive” carbon-neutral construction becomes mainstream and by retrofitting old buildings. Although wood is not explicitly favoured, this policy has potential to strengthen the market position of low-carbon products.

In addition, the new national carbon accounting procedures agreed for the Kyoto second commitment period starting in 2013 provide a more direct incentive for EU governments to increase demand for domestically harvested wood products. European countries are currently the only major industrialised nations to have signed up to the second Kyoto commitment period. The formal text of this period agreed in Durban in December 2011 requires, amongst other things, that signatory countries account for carbon storage and emissions both during forest management and through the use and disposal of “Harvested Wood Products” (HWPs). Accounting for HWPs must be carried out using the so-called "Production Approach". This means that signatory countries that are harvesting timber should account for the carbon stored in the wood they harvest, including wood used domestically and which is exported.

Overall the new Kyoto accounting procedures are expected to increase incentives to manage forests sustainably for timber production, while decreasing incentives for forest intensification (or conversion) for biofuel production. European countries also have an extra incentive to boost demand for domestically produced timber (but not imported wood). Wood producers in European countries seeking sponsorship for promotion campaigns or encouraging “wood first” in public procurement are likely to find a more sympathetic ear in national government departments. Implementation of this policy also requires national governments to support development of Life Cycle inventories to allow accurate assessment of the carbon footprint of harvested wood products. Another implication is that it favours strategies which encourage “cascaded” use of wood in which raw material is first directed towards long life products before being diverted for energy production.

2.2.3 Resource efficiency and the “green economy”

Development of a Resource Efficiency Road Map has become a high political priority within the EU. As with climate change, this has major implications for promotion of wood products as it could encourage EU Member States to develop regulatory frameworks and provide other incentives favouring increased use of timber.

European Commission (EC) officials claim that that their work on resource efficiency reflects a fundamental change in European thinking on growth and development. For example, speaking at a ThinkForest meeting in Brussels earlier this year (see below), Janez Potocnik, the European Environment Commissioner, suggested that development of a “*resource efficient economy is at the very heart of European growth strategy*”. Potocnik commented that “*in the past competitiveness was driven by labour efficiency. However resource efficiency will be a major competitiveness factor in the future. Higher utilization cascades and recycling processes will be a competitive advantage. Resources will be more and more the basis for economic development. Europe is extremely import dependent, which is a risk factor in a world with growing population and increasing resource scarcity*.”

At the same ThinkForest meeting, Maive Rute, Director of Biotechnologies at the EC Directorate-General of Research & Innovation, linked the concept of “resource efficiency" to that of a “green economy” which she defined as having “*reduced dependence on fossil resources and a focus on addressing climate change and increasing the resilience, sustainability and productivity of primary production systems and the food chain. A green economy is also characterised by competitive bio-based industries and should be moving towards a zero-waste society*". Rute commented that the EC is now actively supporting evolution of a green economy in Europe, for example by encouraging member states to develop "*national bio-economy strategies*", establishing a cross-sectoral European Bio-economy Panel, setting up of networks of bio-refineries, facilitating green procurement for bio-based products, and developing science-based approaches (such as LCA) to inform consumers about product properties.

Rute noted that the European forest sector is central to this effort since forests cover around 42% of the total EU territory (i.e.177 million ha, of which 130 million ha are available for wood supply). The annual carbon sequestration in European forests is equivalent to around 9% of the EU’s GHG emissions. The sector delivers about 8% of the EU’s added value for manufacturing and generates income for approximately 16 million forest owners and provides 3.5 million jobs, mainly in rural areas. Rute commented that "*the forest sector is one which already exhibits many of the attributes of a bio-based economy and provides lessons for other sectors. It takes 90% of raw materials from domestic resources so is close to self-sufficiency. There are already good recycling mechanisms in place, and the industry is diversifying product lines - several large forest products companies are now developing bio-refineries which can generate a range of innovative chemical and energy products to supplement traditional timber, panel and paper products*".

2.2.4 Construction Products Regulation

The Construction Products Directive (CPD) of 1989 was introduced to create a common framework for the regulation of building and construction works in the EU. It was one of the early directives from the EU designed to create a single market for goods and services. The mechanism for implementation adopted by the CPD was to set very high level requirements for works known as the Essential Requirements. The Essential Requirements covered by the CPD are: Mechanical Resistance and Stability; Safety in case of Fire; Hygiene, Health and the Environment; Safety in Use; Protection against Noise; and Energy Economy and Heat Retention.

Under CPD, the European Committee for Standardisation (CEN) was mandated to develop harmonised European Norms (hEN) for every construction product to support the Essential Requirements. Over 400 standards and 1500 test methods have since been developed and adopted. All Member States are required to use these standards and cannot regulate using national standards if European standards exist. The official CE Mark is applied to products demonstrating conformance to the standards. Many European countries subsequently introduced regulations requiring CE Marking of all construction products for which an hEN had been developed (the only exceptions being the UK, Sweden, Finland and Ireland).

Wood-based construction products currently covered by hEN standards include: strength-graded structural timber; wood-based panels; solid wood panelling and cladding wood flooring products; glulam; prefabricated structural members and wall, floor and roof elements; structural LVL; and impregnated and finger-jointed structural timber.

The CPD was replaced in 2011 by the Construction Products Regulation (CPR) which comes fully into force on 1 July 2013. Unlike the CPD, key elements of which were voluntary for EU Member States, the CPR is legally-binding throughout the EU and treated as equivalent to national law. CE Marking of all construction products covered by a hEN will become mandatory in all EU Member States.

The CPR also extends the Essential Requirements to include sustainability, especially on the sustainable use of natural resources. An EC Technical Committee (350) has been established to develop hEN standards for construction. Environmental standards development to date has focused on methodologies for assessing the sustainability of construction works and for preparation of formal LCA-based Environmental Product Declarations (EPDs). As the standards development work progresses, it's expected that provision of environmental life cycle data in the form of EPDs will eventually become an integral part of the CE Marking process.

Due to the rising importance of the CPR, CE Marking and EPDs, and the long-term opportunities these offer for timber market development in Europe, wood promotion campaigns are devoting increasing time and resource to engagement in the technical and environmental standards development process. They are also actively encouraging both European companies and overseas suppliers to ensure that timber products are manufactured in accordance to hEN standards.

2.2.5 Forest Europe

Forest Europe (formerly known as “The Ministerial Conference on the Protection of Forests in Europe”) is the pan-European political process for the sustainable management of the continent’s forests. Forest Europe develops common strategies for its 46 member countries and the European Union on how to protect and sustainably manage forests. The organisation has led to achievements such as the guidelines, criteria and indicators for sustainable forest management. Most recently its efforts have focused on consolidating regulatory tools for sustainable forest management, improved monitoring and reporting on forest resources, co-ordinating efforts against illegal logging, developing methodologies for valuation of forests ecosystem service, and emphasising the wider social and economic role of forests in the transition to a green economy.

Part of the Forest Europe mandate is to “*promote education and research and raise awareness and understanding of the contributions of Forest Europe to Sustainable Forest Management*”. While Forest Europe regularly holds internal meetings involving policy makers and researchers in the forest sector, it makes little direct contribution to active communication of forest and timber related issues outside the forest sector. However, it does publish an annual “*State of Europe’s Forests*” report giving information on status and trends in forest management in Europe, which is regularly cited by European wood promotion campaigns.

Forest Europe also has a significant influence on the development and direction of national forest policy across the European region. This influence is likely to increase. At the Forest Europe Ministerial Conference held in Oslo on 14-16 June 2011, forest ministers decided to work towards development of a legally binding agreement on forests in Europe and established an Intergovernmental Negotiating Committee with the mandate to develop such an agreement. The Committee has been tasked to complete its tasks not later than 30 June 2013.

2.2.5 Forest Law Enforcement, Governance and Trade (FLEGT)

The EU published the EU FLEGT Action Plan in 2003 which "sets out actions to prevent the import of illegal wood into the EU, to improve the supply of legal timber and to increase demand for wood coming from responsibly managed forests". The measures of the Action Plan focus on several broad areas including:

- Support to timber exporting countries, including action to promote equitable solutions to the illegal logging problem
- Activities to promote trade in legal timber, including action to develop and implement Voluntary Partnership Agreements between the EU and timber exporting countries
- Promoting public procurement policies, including action to guide contracting authorities on how to deal with legality when specifying timber in procurement procedures

- Support for private sector initiatives, including action to encourage private sector initiatives for good practice in the forest sector, including the use of voluntary codes of conduct for private companies to source legal timber
- Use of existing legislative instruments or adaption of new legislation to support the Plan, e.g. the EU Timber Regulation

While “promoting trade in legal timber” is a stated policy goal, FLEGT activity has focused primarily on development of regulatory measures to exclude illegal wood (particularly imports of dubious origin) from the EU market. The EU has engaged with a range of tropical developing countries in Africa and South East Asia to develop Voluntary Partnership Agreements (VPAs). Under the terms of these agreements, the EU supports development of licensing systems for timber. Once these become operational in a VPA country, all EU imports of regulated products from that country will be subject to licensing. Countries that have signed VPA agreements or that are currently involved in VPA negotiations supplied the EU with 5.9 million m3 (Roundwood Equivalent Volume - RWE) of wood products in 2011, around 11% of total EU imports and 3% of total supply. Some of the VPAs agreed by the EU (for example with Indonesia and Cameroon) have included clauses committing the EC to specific measures to actively promote FLEGT VPA licensed timber in the EU market. However the EU has yet to act directly on these clauses.

On the demand side, the EU has implemented the EU Timber Regulation (EUTR) which comes into force in March 2013. EUTR imposes a prohibition on placing of products derived from illegally harvested timber on the EU market. It also requires all companies placing timber on the market to implement a due diligence system (DDS) to minimize the risk of any illegal wood entering their supply chains. All timber products, with the exception of VPA licensed and CITES listed species, are subject to the due diligence requirements.

While some timber traders have raised concerns that measures like EUTR and FLEGT VPA licensing have potential to act as a constraint on timber trade, others have emphasised the long term marketing potential of such initiatives. By removing suspect wood from the market place, FLEGT initiatives have potential to increase demand for and improve margins on verified legal products. They could also provide a platform for proactive campaigns highlighting the industry’s strong commitment to responsible procurement.

2.2.6 EU Green Public Procurement

The promotion of more widespread adoption of green public procurement (GPP) has been an EU priority in recent years. An EU Communication on Green Public Procurement was published in 2008 providing guidance on how to reduce the environmental impact caused by public sector consumption and how to use GPP to stimulate innovation in environmental technologies, products and services. At EU level the European Commission set an indicative target that, by 2010, 50% of all public tendering procedures should be green, where ‘green’ means compliant with endorsed common core EU GPP criteria. EU member states have been encouraged to develop national action plans for GPP. By September 2012, a total of 21 Member States had implemented national action plans for GPP and a further 6 had a draft plan.

A recent review of national GPP in EU Member States[2] indicates that at least 6 countries (Belgium, France, Germany, Netherlands and the UK) have a policy that establishes specific criteria for procurement of "sustainable" timber. A further 11 countries have specific targets for green procurement of construction products, without specifically referencing timber.

These policies tend to be more important for the signal of intent they send out than for the direct impact on market demand. Although accurate data is not available on the share of overall timber procurement destined for the public sector, signs are that this sector only accounts for a small minority of the overall market in the EU even when local authorities are included. Furthermore, procurement policies are often poorly enforced and monitoring is limited.

Nevertheless, there is evidence from some countries – notably the UK and Netherlands – that determined government procurement efforts specifically targeting use of "sustainable" timber products in high profile projects (like the London Olympics) has had a significant local effect to increase demand for FSC and PEFC certified products. On the other hand, these same policies tend to increase the bureaucratic burden and associated costs of sourcing timber relative to other materials, so their overall impact on timber demand may be negative. A key problem is that requirements for responsible sourcing imposed on timber products, are rarely matched by equivalent sourcing requirements imposed on non-wood (typically non-renewable) materials.

2.2 European Forest Products Research

2.2.1 Overview

In 2009, the UN's Food and Agriculture Organisation (FAO) undertook a review of international forest and timber industry research[3]. This highlighted how research and development is becoming an increasingly significant competitiveness factor now that new high-tech and capital intensive forms of research such as biotechnology, nanotechnology and information and communication technologies - are having increasing impact on the wood and other materials sectors.

FAO' review also highlights the extent to which the wood sector has been falling behind in this area with significant potential to reduce comparative competitiveness. FAO note that "*historically, public-sector forestry agencies led the development of forest science and technology. Today, there are many more players; in general, the public sector's role has diminished and its capacities have declined sharply in many countries*". With few exceptions, funding for public-sector forest research institutions has been declining with concomitant reduction in human resources. These institutions also suffer from a fragmented research agenda and weak linkages between research areas. Furthermore much public sector forest research and research undertaken by universities is not demand driven, but rather focused on the science and other aspects of forestry. There is only limited investment in applied research leading to technical product development.

[2] See http://ec.europa.eu/environment/gpp/pdf/national_gpp_strategies_en.pdf
[3] Contained in UN FAO's 2009 State of the World's Forests report. http://www.fao.org/docrep/011/i0350e/i0350e00.HTM.

FAO suggest that the vast majority of new investment in demand-driven research to develop new processes and products that can be patented and which is aimed at raising product competitiveness is undertaken by large enterprises. Due to the high level of fragmentation and relative lack of large enterprises willing to invest in R&D, the forest sector is losing comparable competitiveness.

All these problems are exhibited by the European forest products industry. A 2011 assessment of European forest industry research[4] suggested that while existing capacity is quite substantial, it is also very fragmented, often mono-disciplinary and unevenly distributed. Publicly funded forest and wood products research institutes in Europe are reckoned to host around 3,600 person years and funding of €300 million per year spread over 50 national and regional forest research institutions in 25 countries. It is estimated that about the same amount is available in universities. The assessment notes that "*Very often, forest research organizations are spread out and organized in small-sized entities without enough critical mass. Many resources are narrowly specialized, resulting in a lack of inter-disciplinarity, synthesis and integration. At the same time, there is a lack of large-scale infrastructures as well as a lack of long-term experiments with proper long-term funding which appropriately cover the diversity of European forests. A lack of harmonization or even synchronization in data collection hinders the efficient sharing and exchange of data for addressing common regional and Pan-European questions. This results in the duplication of work and in a low efficiency in the use of resources. In this context, industry and public research should be better coordinated to improve the use of research capabilities along the forestry-wood chain*".

This weakness has at least been identified so that some steps are now being taken to rectify the problem. Efforts to improve European collaboration and coordination in forest research have been on-going since the early 1990s through the Framework Programmes of the EU. Since March 2000 when the Lisbon European Council endorsed the objective of creating a European Research Area (ERA), several initiatives have been launched with an impact in forest products research. There has been a substantial increase in funding to the EU Research Framework Programme fostering the transnational collaboration of European research organizations, promoting the mobility of researchers and reinforcing infrastructures. A forest sector Technology Platform (FTP) has also been established. This has provided a forum for industry and other stakeholders to develop a shared, Pan-European, long-term vision for strategic research.

Between 2004 and 2008, the EC allocated a total of €2.2 million funding to Woodwisdom-Net, a network which aimed to encourage coordination between national research programmes in wood material science. The FACCE Joint Programming Initiative on Agriculture, Food Security and Climate Change is also likely to provide opportunities for joint programming of European forest products research.

2.2.2 ThinkForest Initiative

One initiative with significant potential to improve the level of co-ordination, priority, and relevance of forest products research is the European Forest Institute's (EFI) ThinkForest Initiative. The forum is designed to provide a high-level, Brussels-based discussion and information sharing forum for high-level policy makers. Its' underlying

[4] "A European forest research area as a core pillar for the future EU Forestry Strategy", Marc Palahi, European Forest Institute, marc.palahi@efi.int, August 2011

objective is to strengthen communication, collaboration and partnership building between the European forest science community and key policy makers in the EU, especially with the European Parliament. It aims to ensure that the scientific community better informs European policy makers of forest related issues. It also helps the science community to react to the demands of European policy makers as they develop strategic policy initiatives and regulations that impact on forests.

In line with these objectives, ThinkForests is now working to establish mechanisms for regular communication and information sharing between the scientific community and relevant Committees in the European Parliament, European Commission, EU Member States, and key stakeholder group leaders. It is also seeking to identify and utilize the best available expertise and technology, as well as the latest research-based information, to address emerging strategic issues. Priority policy issues include rural development strategies, international forest and environmental policies, climate change, and bioenergy.

Göran Persson, the former Swedish Prime Minister, has now been appointed to lead the ThinkForest initiative. It was launched at a high level forum on "The future of forests in Europe" during May 2012. The forum boasted a number of high-profile political participants with presentations by Ilse Aigner, the German Federal Minister of Food, Agriculture and Consumer Protection; Janez Potočnik, European Environment Commissioner; and Jari Koskinen, Finnish Minister of Agriculture and Forestry. The audience consisted primarily of members of the European Parliament, Council and Commission, together with researchers in forest management and policy and forest owner representatives, mostly from central and northern European countries. There were only a few representatives from trade and industry - these mainly from large Scandinavian companies. Although the forum had no formal political mandate, a key aim was to feed ideas into political discussions at the UN Rio+20 environment summit during June 2012 and into the on-going process to review the European 1998 Forest Strategy.

Future activities are planned to include:

- Targeted high-level events for focused discussions for policy makers.
- Open conferences on emerging strategic issues between scientists, decision makers and stakeholders.
- “Forest lunches” and terrain visits for partnership building and casual debates.
- Presentations of collective scientific expert reviews for policy makers through different information products (eg. policy briefs) and events (workshops, scientific breakfasts...).
- Foresight exercises and workshops to identify forest futures (opportunities, challenges, threats).

2.3 Private sector wood promotion campaigns

2.3.1 Background

In addition to wood promotion activities at country or regional level there are a number of important European Initiatives. They often revolve around a European association or Federation of associations so that they achieve input from the widest possible industry base. These campaigns tend to focus on big issues common to all industry sectors otherwise they would not have the united support they need to function effectively.

There are two interesting and important pan European campaigns for wood; one that is just in its infancy (European Wood) and the other that has been a focus for nearly ten years (Road map -2010). There are also a number of supplier promotion campaigns that operate at a European level, such as AHEC, Canada Wood, Swedish Wood and American Softwoods.

2.3.2 CEI-Bois Road map

CEI-Bois, the European Confederation of woodworking industries, was founded in 1952 and represents the interests of the European woodworking industry, which includes more than 380,000 companies generating an annual turnover of 300 billion euro and employing around 3 million workers in EU27. The primary goal of CEI-Bois is to further the interests of the European wood sector and to this end, it aims to influence EU policy-making. It is the main body representing and defending the interests of the European woodworking and furniture industries towards the European Union.

The “Road map 2010” is a major European wood promotion initiative led and coordinated by CEI-Bois since 2004. It came out of a CEI-Bois survey in 2003 which concluded that there was poor growth projections predicted for European wood working industries up to 2010 and action was required to change this outcome. So in 2004 the “Road map – 2010” was launched. It had two main objectives:

- Wood and wood products to “become the leading material in construction and interior solutions by 2010”
- To increase demand growth from 1% to 4% per annum.

The key campaign elements, together with the official conclusions from the 2010 Road Map evaluation report, were:

- “Building with wood”: lead organisation was the Federation of Austrian Wood Industries. The aim was to double wood based materials market share in construction by 2010. This involved a series of activities and R&D. The conclusion was that it has been successful in increasing share and worked across borders, uniting wood associations and technical bodies
- “Living with wood”: lead organization was the federation of Spanish wood industries (Confemadera). The aim was to achieve a sustained change in attitude to wood leading to increased consumption. Conclusion was that it worked in Spain but was invisible at a pan-European level.
- “Wood transport and packaging”: lead organisation was the European Federation of Pallet & Packaging Manufacturers (FEFPEB). The aim was to increase the use of wood based products for packaging and transport. Conclusion was that there was partial success.
- “Wood in sustainable development”: lead organisations were the European Panel Federation (EPF) and European Sawmill Association (EOS). A key achievement was publication of “Tackle Climate Change – Use Wood”, of which over 60,000 were distributed in key European languages. Also the “Club du Bois” was formed as a lobbying vehicle to get this message across to European politicians and the European Commission. A major exhibition promoting wood was held at the EU

Commission to target policy makers. Conclusion was that this was the second most successful initiative after “Building with wood”.

The overall conclusion from the official 2010 Road Map evaluation report was that the campaign had been successful in uniting wood industries at the European level in a common goal for the first time. However, it failed to achieve its’ stated objectives of ensuring wood became the “lead material” and annual demand growth failed to reach 4%.

Conversations for the current report with EU marketing experts suggest that the Road Map aims were unrealistic and “plucked out of the air”. There was also lack of leadership on some tasks and the burden of funding fell on too few CEI-Bois member organisations.

Currently CEI-Bois continues to use the “Building with Wood” and “Tackle climate change – use wood” messages. However the whole campaign is fairly low key at this stage and is now waiting for a major review to decide whether it continues or what comes next. This process is likely to take place once the new CEO of CEI-Bois takes over in 2013.

2.3.3 European Wood

European Wood is a new initiative involving the newly formed Europe Timber Trade Federation (ETTF) and the European Sawmill Association (EOS). It has been driven into existence by two major “movers and shakers” in wood promotion in Europe - the Director of Swedish Wood and his counterpart at ProHolz (Austria). The idea for European Wood emerged from discussions within the European Promotion Network, an on-going networking forum of interested wood promotion campaigns that meets once a year in Europe. The brand name European Wood was chosen, because it is already being used by Swedish Wood (see below), for promotion in China and Japan. The title of the campaign itself will be “Wood: Growing Cities” and the aim is to focus on urban intensification, to increase the market for modern, renewable, low carbon wood solutions.

European Wood representatives believe that, with the CEI-Bois Road Map project currently on hold, there is a need for a new communication campaign at a time when opportunities are emerging to capitalize on wood’s LCA advantages. The campaign is still in the early stages of development. It has broad industry support but not a lot of money on the table. At this stage it appears to an exclusively softwood initiative although this may change over time.

Their aim is to raise €350,000-€400,000 initially. Discussions with participants in the initiative suggest that so far, half the money has been pledged by the EOS and ETTF (€100,000 each). The organisers are now looking to national wood promotion organisations in 8 targeted countries to each put in an additional €20,000 each. Swedish Wood and ProHolz have both agreed in principle and are in the process of getting commitments from other groups in France, UK, Finland etc. A PR and communication agency has been appointed (Schuttelaar & Partners) to take the lead on moving the campaign forward and they recently made a presentation at the International Softwood Conference in October this year.

The first objective of the campaign is to produce an online/web based toolbox. The toolbox will work as an engine to gather case studies, best practices and content from around Europe, which can be used by national councils in their own communication campaigns. Out of this it is hoped that a consistent and common message will emerge. The tool box will consist of case studies, a media library, digital newsletter, a CO2 calculator and relevant research and technical information.

2.3.4 American Hardwood Export Council (AHEC)

AHEC is one of the most long-standing and high profile wood promotion campaigns in Europe. It has been active throughout most European markets for over twenty years with its own distinctive brand of creative marketing. It is also the only really effective promotional campaign specifically for hardwood. Even though it exists to promote American hardwoods, many of its activities help to raise awareness for hardwood as a material, especially in the construction sector where softwood and panel products dominate.

AHEC's European office is based in London, but it has PR and technical consultants around Europe based in Spain, Germany, France, Italy and Poland. AHEC exists as a result of funding by the US hardwood industry (trade associations and individual companies). AHEC members pay association fees based on the value of their exports. There are currently over 140 members. However the majority of promotional tools and activities in export markets are funded by US Government programmes administered by the Foreign Agricultural Service (FAS), a division of the USDA. AHEC's programme budget for Europe is currently over $1.5 million per annum. In order to receive funds AHEC have to submit clear promotional and marketing strategies and set out a series of activities that address constraints/opportunities for US hardwoods.

The promotional strategy is aimed principally at the professional wood chain from importer to specifier. The approach is two-fold, pushing information into the chain through importers and pulling new demand through the chain by targeting decision makers, such as architects and designers. This campaign is not aimed at the general public or consumers, although there is some trickle down principally through the main-stream media. The strategy for promoting growth includes:

- Raising awareness of the potential of US hardwood species with specifers.
- Specific activities to promote under-utilised species that are abundantly available.
- Develop markets for structural applications and exterior use.
- Communicate the full environmental benefits of using and specifying US hardwoods.

Activities include a full range of promotional tools such as technical publications, websites, PR, advertising, trade shows, seminars and workshops. AHEC has even launched an ipad app. In addition to this traditional approach to marketing AHEC has used special projects and collaborations to create very high profile activities that gain much greater awareness amongst their target audiences, principally by means of media publicity. These special projects include; design competitions, and installations with famous architects and designers. AHEC worked recently with world renowned architects such as Sou Fujimoto, Amanda Levete, David Adjaye and Matteo Thun. AHEC works with media partners, architectural associations and festivals such the London Design Festival to show case US hardwood species and deliver key messages.

It is a requirement of FAS funding that all AHEC programmes are independently evaluated. Through this process AHEC can establish how effective its PR campaign is and whether the promotion is changing the behaviour of target audiences. AHEC documents success stories where use of American hardwood (for example; a new project by an architect or increased sales by an European importer) can be traced directly back to an aspect of the campaign. PR is used very effectively to boost the reach of the campaign and in Europe alone generates millions of dollars in free publicity every year, while actual advertising spend is rarely more than $120,000 per annum.

Environmental strategy has always been at the core of the programme and AHEC has been instrumental in pioneering new approaches to legality and sustainability. It commissioned an independent study into illegal logging in the US in 2008 and established that US hardwoods are very low risk, at a time when the EUTR was not even on the agenda. Most recently it has completed ISO conformant life cycle impacts on a “cradle to gate basis” for 19 commercial US hardwood species. This data was then used in a ground breaking experimental project “out of the woods” featured at this year’s London Design Festival in collaboration with the Royal College of Art.

AHEC appears to have been the first wood promotion campaign to raise the issues of Life Cycle Assessment (LCA) and Environmental Product Declarations (EPDs). With its own unique LCA research, AHEC has sent a message to other wood promotional groups. These are now actively adopting LCA and EPDs as a core part of national and pan-European initiatives.

2.3.5 Canada Wood

Canada Wood (CW) is a joint initiative between the Canadian Government and timber industry association partners representing producers in Canada. It has a presence in Europe but this is relatively low-key compared to its activity in Asia. There are two offices in Europe, one in the UK and another in France that covers the rest of Europe. Canada Wood’s main activities are trade shows, seminars and some low levels of PR. Some CW industry partners such as the Western Red Cedar Association run their own advertising campaigns in European markets as well as supporting the work of the umbrella organisation. Canada Wood in the UK has recently become a major sponsor of the UK Wood awards putting in £21,000 annually.

As this report is being compiled, there are unconfirmed reports that CW may have secured additional funding of up to $10 million specifically for export promotion. It is not clear at this stage whether this is a one-off contribution or annual or spread over a number of years. Nor is it clear which export markets are likely to be targeted by Canada Wood.

2.3.6 Swedish Wood

Swedish Wood (SW) is the promotional arm of the Swedish Forest Industries Federation. SW’s goal is to increase the use of wood in Sweden and in selected international markets through information and inspiration. SW also aims to highlight wood as a competitive, eco-friendly and sustainable material.

SW promotes wood and wood products in markets of particular interest to the Swedish sawmill industry. All marketing is based around sustainable forestry. They currently strongly back campaigns in UK (Wood for Good), France (Wood is Essential) and China and Japan (European Wood).

2.3.7 American Softwoods

American Softwoods (AS) is a promotional partnership formed by three major U.S. softwood trade associations, namely the Southern Forest Products Association, Softwood Export Council and APA – The Engineered Wood Association. Their European office is based in the UK and is currently led by a former Director of Wood for Good. AS receive US government funds for promotion from the US FAS, the same as AHEC, but at much lower levels of funding. Their European activity is fairly low-key in comparison to AHEC and involves some PR, trade shows and seminars, and the publication and distribution of publications about US softwood species.

3. Wood promotion in France

3.1 Relevant background

France is one of the most important wood using markets in Europe. It has significant wood processing industries that are fed both by its own forest resources but also from significant hardwood and softwood imports.

Under the previous government, new remits were established by the French Agriculture Ministry to find a way to make more use of the French forest resource. This strategy was partly aimed at addressing the trade deficit as forest products are a major contributing sector (mainly due to large imports of paper, furniture and flooring rather than lumber). The strategy also reflected a realisation of the larger contribution that the forest products sector could make to the French economy. There was also acceptance of scientific arguments to show that increased use of wood in construction could play a key part in helping achieve carbon emission targets.

Early indications are that the new government of President Hollande, elected earlier this year, is maintaining a strong commitment to environmental issues and that development of the domestic wood industry remains an important strategic goal. At an environment conference in Paris during September, President Hollande urged the EU to adopt even more ambitious targets to reduce its carbon emissions, recommending a 40% cut by 2030 and 60% cut by 2040, well beyond the current 20% target set for 2020. The presidential statement set out key elements of the new national climate policy including refurbishment of one million houses each year in France and a proposal for a carbon border tax at EU level.

3.2 Government policy measures to promote use of wood

3.2.1 Forest products development plan

In spring 2009, the government launched a development plan for the French forest products sector. It aimed to bring together all stakeholders, including government, industry and local communities behind a common goal of increased mobilization of forest resources while continuing to preserve forest biodiversity and capacity to adapt to climate change. The plan is organized around three themes, including creation of new markets for wood, restructuring of the sector, and increased mobilization of forest resources.

On the first theme, three specific regulatory measures have been introduced to boost demand for wood in construction:

- A Decree dated 16 October 2009 made external wood cladding exempt from building permit requirements.
- Decrees of 15 March 2010 and 13 September 2010 define a threshold for minimum wood use in all new houses, the only exclusion being where this wood would be incompatible with safety or health requirements. The minimum threshold is to be gradually raised over time. The quantity of wood materials used is measured by the proportion of the volume used in relation to the structure’s net floor area.

- A Decree dated 12 July 2011, designed to promote environmental performance in construction and housing, stating that planning permission could not oppose use of certain renewable materials including timber. For example, installation of French windows and shutters, if made in timber, could no longer be forbidden.

3.2.2 CO2 Tax

Recently hopes were raised that very significant government funding for development of the French forest products sector could be derived from a government CO2 tax imposed on industry for excessive carbon emissions. Representatives of French forest industry argued that since French forests absorb 25% of France's CO2 emissions, the forest sector should receive a quarter of the revenue raised by this tax. This could have generated hundreds of millions of euros. However, these hopes were dashed at an environmental summit held in Paris in mid-September 2012. President Hollande announced instead that revenue from this new tax would be used to fund programmes to increase energy efficiency in the building sector. Each year the aim is that 1 million homes, old and new, will be furbished to energy efficiency standards. This plan, coupled with other government commitments favouring wood in construction, should at least provide a significant indirect boost to the market for wood products in France.

3.2.3 Le Fonds Bois

In 2009, the French Ministries of Agriculture and Industry jointly announced creation of the Wood Industry Strategic Fund (Le Fonds Bois) making available €20 million euros for investment in the French wood processing sector, including sawmills, panel production and wood energy. The fund includes contributions from financial partners including the Eiffage Group, Crédit Agricole, and the French Office for National Forests.

3.2.4 Tax exemptions for sustainable forest management

Mobilisation of sustainable wood production by private forest owners in France is supported by tax incentives. Three quarters of French forests are in the hands of 3.5 million private owners. Decrees dated 19 May 2010 and 23 February 2011 now grant exemptions for forests under the French wealth tax (ISF) and inheritance tax (DMTG). Obtaining the exemption is subject to preparation of a ten-year plan for sustainable management.

3.2.5 Regional stakeholder meetings

The French Ministry of Agriculture launched another initiative on 25 September 2012 in which stakeholder meetings will be convened throughout the French regions to discuss ways of improving local demand for French timber, particularly in high value market sectors.

3.2.6 ADEME

ADEME is an environment agency funded by the French Government. The agency also sells services to industry. Its main function is to assist the French Environment Ministry to reach environmental targets. It has a broad remit from waste management to green energy and air pollution. ADEME is providing funding in support of environmental building solutions. As part of this aim it is currently producing databases of environmental profiles for materials and products. The focus is on Environmental Product Declarations (EPD's) that are based on full Life Cycle Assessment (LCA). ADEME already promotes wood as a renewable energy resource.

ADEME has recognized the need to address the issue of "green washing" and to help eradicate unsubstantiated or false claims about the environmental credentials of a material or product. As part of this strategy ADEME produced a decision-making guide and website (http://antigreenwashing.ademe.fr/) targeting businesses and their advertising agencies to help them evaluate if their marketing messages and campaigns are delivering real green messages as opposed to "green washing". One of the questions in the survey is "has your company carried out an LCA study?"

Any initiative to create a fair and level playing field for the "green" comparison of materials and products should ultimately provide one of the best opportunities to encourage use of wood in building and product design. This is providing, of course, that the wood sector can provide in reasonable time frame comprehensive LCA and EPD information for a broad range of products.

3.3 Private sector initiatives

3.3.1 Overview

There has been a succession of private sector promotion campaigns in France aimed at raising the profile for wood and the benefits of healthy productive forests, both to industry, decision maker (specifiers) and the general public (consumers). This promotion goes back nearly ten years when the Swedish and Finnish softwood producers started generic wood campaigns as a follow on to the successful "Wood for Good" campaign in the UK. Ten years on, wood promotion in France is alive and well and appears to be growing in momentum and funding. New campaigns are emerging with the emphasis shifting more towards the domestic forest resource. This is making hardwood promotion a significant element of the overall strategy. But regardless of provenance, any well-funded, high profile promotion that raises awareness for wood should benefit all players in the sector in the long term.

3.3.2 Le Bois.com

This campaign is the French equivalent to UK "Wood for Good" which is co-funded by CNDB (national committee for wood development), CODIFAB (furniture industry funding) Swedish Wood, Finnish Forest Foundation and France-Bois Forêt (FBF). Feedback from French industry suggests that there is a bit of tension growing between this older and well established campaign and a new emerging campaign led by FBF (which has much more pro-French industry bias – see below).

The Swedes appear to be the main contributors and drivers for the campaign, as the website promotion suggests "*The Swedish Forest Industries Federation is currently conducting a campaign in France designed to persuade more Frenchmen to start using even more wood. The campaign 'Je dis OUI au bois pour dire NON au CO2' ('I say YES to wood to say NO to CO2!'), aims to position wood as an environmentally friendly material.*"

France is of particular interest to Scandinavian and Nordic softwood producers because it is one of the largest markets for sawn softwood in Europe. More importantly France is a major importer of softwood, because although it has one of the largest forest resources in Europe, around 75% is hardwood. France's annual softwood imports are reported in the region of 3.9 million m3.

The campaign started in 2004 with the intention of repeating the high profile Wood for Good campaign (largely advertising focused) that the Scandinavians had set up in the UK.

Key campaign messages are:

- Wood as first choice for building renovation and interiors.
- Wood as the best environmental choice and a material that can contribute positively to the impact of climate change because its renewable and stores carbon.

Over the life time of the campaign various promotional slogans have been used:

- "Wood is essential" 2009/2010 (17 seminars)
- "Resolutely wood" 2010 – designed to encourage wood use among home-owners;
- "I say YES to wood to say NO to CO2"
- "Thank you the forest" - 2011

Key target audiences are professionals, such as architects, specifiers, building contractors, and home-owners. Activities have included: TV adverts; PR campaign and magazine advertising; video clips; website on technical issues; videos on economic aspects of the industry such as jobs and skills; seminars/workshops for architects; direct provision of technical advice to specifiers; a helpline for consumers; participation at exhibitions (Batimat) showing full scale models of timber wall and timber frame solutions, and hardwood and softwood cladding.

The Résolument bois (Resolutely wood) component of the campaign was originally run in 2010 by the CNDB and the wood trade association Le Commerce de Bois (LCB). The aim was to promote wood use to home-owners for five types of applications: external cladding, outdoor decking, flooring, interior joinery, and door and window renovation. It included point of sale displays and flyers. LCB plans to renew this campaign in the near future largely funded by money from Bois.com.

The results have been significant. For example, market share of timber frame construction has risen from 6% to 11%, much of this being attributable to the campaign. Public and specifier awareness of timber has been raised.

Discussions are on-going in France about possibly relaunching the Le Bois.com campaign with new input from FBF, an organisation that has recently emerged as the main driver for French wood promotion (see 3.3.3).

3.3.3 France-Bois Forêt (FBF)

France has many trade associations working within the domestic forest and wood products sector. FBF was formed by the French Ministry of Agriculture in 2005 as a common organisation that they could all in principle support and which could represent their common interests.

A key campaign aim of FBF is to promote a stronger culture of wood use in all sectors in order to re-energise French sawmills and wood producers. The campaign is also encouraging forest owners to manage their forests for timber production. The “use more wood” message is strongly linked to an environmental message about CO2 absorption and carbon storage. There is also reference to other environmental benefits of using wood versus non-wood materials.

Major target audiences are forest owners, manufacturers, specifiers and consumers. FBF is putting more emphasis in its promotion on hardwoods than softwoods reflecting the mix in the French forests. This is unusual, as most generic wood promotion in Europe, coordinated by national organisations, tends to focus more on softwoods where the majority interest lies and therefore the most funding is available.

Over the last 3 years, FBF has been running a consumer campaign under the banner Merci la Forêt ! (Thank you Forest!). The campaign started with billboards, then advertising spots on radio and TV. In September 2011, a major event was organised in the Palais Royal, a historical square in the heart of Paris, which was designed “to bring the forest into the city”. Both the Minister of Agriculture and of the Environment were invited to make public statements in front of national media (see video clips on their website: http://www.franceboisforet.fr/

FBF is funded entirely by the industry through the CVO (Compulsory Voluntary Obligation) levy on wood supply. This contribution varies according to the nature of business activity:

- Forest tree nurseries and re-afforestation contractors pay 0.07% of their annual turnover.
- Forest owners pay a small tax on wood sales depending on how it is sold: 0.5% of the sales value of standing stock; 0.33% of the sales value of harvested logs by the roadside; or 0.25% of the sales value of logs delivered at the sawmill or processing plant.
- Any professional wood supplier for energy production or industry processing pays 0.15% of sales value.

FBF are currently investing their promotional funds into five projects:

- Promote forests as a solution to global warming
- Develop wood-fuelled energy plants in rural areas
- Promote wood-packaging in the food industry
- French hardwood to be strength-tested for structural applications
- Develop an “economic observatory” for the wood industry to provide market intelligence, for example on harvesting levels and pricing.

The current budget is not known but it is likely to be very large given that the annual turnover of the French forest industry is around €60 billion (i.e. 60 thousand million). A presentation at Carrefour du Bois in June 2012 indicated that at least €10 million had been made available just for the project to strength-test French hardwood for structural applications. This involves a testing programme to establish design codes for different species (principally oak and beech) known as “D” rating for submission to include in Euro-code 5.

FBF has also launched more than 30 research and development programmes worth between €2-3 million. This includes research into heat treatment of wood species to increase hardness and durability and preparation of Environmental Product Declarations for French oak flooring. There are plans to conduct further LCA studies.

In addition, the FBF is effectively acting as bankers to existing wood organisations to support their activities and promote wood. It is also funding a major re-forestation programme and forest awareness campaigns to encourage forest owners to work more closely with industry.

3.3.4 Other private initiatives

CODIFAB is the trade association representing the French furniture and bespoke joinery industries. It is funded through a 0.3 % levy on furniture industry revenue which brought in €15 million euros in 2009.

Atlanbois is one of a number of regional organizations promoting forest products industries in France. It is the main sponsor of the biannual 100% wood show for industry and specfiers called “Carrefour du Bois”.

3.4 Conclusions

France has a structure of well-supported forest product associations and technical bodies that provide information and support to industry. A strong wood culture already exists in France, but there is potential for increased wood use in the building sector. Private sector wood promotion in France is alive and well and appears to be growing in momentum and funding. It has already made a significant contribution to increase the share of timber frame in the country. The French government is also one of the few European governments to have made a specific policy commitment, backed to some extent by regulatory measures, to increase utilisation of wood, particularly from domestic forests. However, the level of enforcement is uncertain and a recent opportunity was missed to greatly increase direct financing for wood promotion by way of the CO2 tax. France has been a pioneer in the development of life cycle analysis in the construction and materials sector, providing additional indirect opportunities for wood products.

4. Wood promotion in Germany

4.1 Relevant background

"*Wood promotion in Germany? Well to be honest there is not a lot happening right now. The demise of Holzapsatzfonds has left a vacuum. Everyone in industry agrees something is needed but no one wants to pay for it*".

These are the words of one respected commentator, who was contacted in the process of compiling this report. Germany did have a national wood promotion campaign that began in the early 2000's called Holzapsatzfonds (HAF). It was very active and well-funded as a result of levies raised on sales of logs and timber from forest owners and sawmills. These funds were collected at local state level then managed by the wood industry under supervision from German Ministry of Agriculture. However the right to draw these levies was challenged in the German courts, who ruled the action was not lawful. Therefore the organization folded in 2009 and has not been replaced. In 2011 there was a dispute about what should happen to remaining funds (€2.8 million) that were in the HAF account when it closed. The government wanted to take the money back but in the end the wood industries won the argument on the basis this money had been collected from forest products industries. The money was released but is not sufficient for sustained long term promotion

While in existence, HAF both led wood promotion in Germany and also contributed significantly at European level to the CEI-Bois road map initiative. The loss of HAF is not only a blow to the German wood industries but it means that Germany is making little contribution to European efforts to promote wood.

The German government's contribution to wood market development is also limited at present. In part this reflects Germany's wood supply position which is unusual in the European context. Germany's forest resources are the largest in Europe. The country has more than 11 million hectares of high-grade diverse forests with steadily growing timber stocks. However Germany is also characterized by high levels of domestic forest utilization and only limited potential to expand commercial timber production.

Wood utilization in Germany rose from about 60 million m3 to 80 million m3 during the 1990s and then escalated to over 140 million m3 per year by 2011. Considerable investment in roundwood processing in the 5 years between 2002 and 2007 led to a significant increase in output. The German timber industry depends on softwood processing (roundwood utilization is about 80% softwood and 20% hardwood). Although harvesting and wood production have declined during the recession, long-term growth is expected due to continuing economic development, rising energy prices and the political environment which favours promotion of renewable energy. Recently, a significant rise in the use of fuelwood in private households has exacerbated competition for raw material in Germany, particularly for softwood.

This situation has fuelled the debate on sustainable harvesting potential in Germany. In general, the annual timber harvest in German forests is still below increment. There is space for mobilising additional domestic forest resources, particularly of hardwood species and from small forest holdings. However utilisation of spruce, the most important commercial species, has exceeded growth and stock has been falling in recent years.

Increasing wood production in Germany, while technically possible, would require a shortening in rotation periods. But this would conflict with government policy favouring "close-to-nature" forestry and would be strongly resisted by environmental groups. Much of the increased production would also have to come from small private forest holders, few of which depend on forests as a source of income and have little incentive to boost supply.

The supply situation has led to a growing realization that the German forest products sector faces significant challenges. Concerns are rising over the amount of harvested wood being diverted to energy production. This is likely to reduce availability to alternative higher value wood manufacturing sectors, which employ significant numbers of people in Germany. This is an industry that generates sales revenues of roughly €160 billion every year and employs more than 1.25 million people. There is also concern that while Germany’s softwood forests are now heavily utilized, there is less utilization of the country’s hardwood resource, particularly of beech.

4.2 Government policy measures to promote use of wood

4.2.1 National Forest Strategy 2020

The National Forest Strategy 2020, developed in an open process by interested stakeholders and adopted by the Federal Cabinet in September 2011, is the latest initiative aimed at balancing the demands placed on Germany’s forest resource. The Strategy contains 9 main areas of action and related subordinated goals. Proposed actions range from silvicultural improvements, cultivation of fast growing species on agricultural land, measures to encourage greater timber mobilisation, intensification of “wood cascading”, increased efficiency of timber use, a movement towards closed cycling in the wood industry chain, and an increase in timber imports. Research and development ris also given prominence in the strategy. For example, under the Renewable Resources Funding Programme, funding is being channelled via the Agency for Renewable Resources and the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) for a large number of projects designed to increase timber mobilisation, efficient use of wood, and development of new biorefining technology.

4.2.2 Forest Climate Fund

The Forest Climate Fund is to be created by 1 January 2013 under the joint direction of the BMELV) and the Federal Environment Ministry (BMU). This is established following a decision of the Federal Government on the 2012 draft federal budget and medium-term financial planning that earmarks an annual sum of €35 million for this purpose. The decision responds to data, which indicates that German forestry and forest industries currently prevent emissions of around 125 million tonnes of CO_2 per year. Also bearing in mind the productive, protective and recreational functions of forests, the Forest Climate Fund is intended to maintain and increase this positive impact on the climate.

The role of forests in Germany’s climate change mitigation strategy have taken on new prominence following the government’s decision in May 2011, in the wake of the Fukushima disaster, to phase out all nuclear energy production within 11 years. Before the decision, nuclear power accounted for around 20% of national electricity supply. Even without nuclear power Germany is sticking to the target of reducing emissions of greenhouse gases by 40 % by 2020 and by at least 80 % by 2050 (taking 1990 as a base year). By 2020 power generated from biomass, wind power, solar power and other renewables is targeted to account for a minimum of 35% of the total (2011: 20% achieved) and in heat consumption up to 14% (2011: 10.4 % achieved).

The Fund is to be used to support the following measures:

- restoring a well-balanced landscape water regime,
- enhancing the adaptation of forests to climate changes,
- preventing or coping with storms and forest fires,
- preservation and protection of moorland in forests,
- new planting of high-carbon riparian and humid forests,
- establishment of reference areas,
- development of CO2 reduction potential of timber.

4.2.3 FNR (Agency for Renewable Resources)

FNR was founded in 1993 by the German Federal Ministry of Food, Agriculture and Consumer Protection. The main responsibilities are to support research and development in the area of renewable resources and to inform the public about current research results, give advice on a range of applications of renewable resources and organise and take part in scientific events. FNR are providing some support to the wood sector for research, a process that started when HAF existed, but the funding levels are much less than they were. However, they do have a positive view of wood as building material as emphasised by this extract from their website:

“*Both for health and for environmental reasons, renewable resources are increasingly in demand for construction purposes as well. Timber and wood compounds rank supreme here. Domestic timber is not only used for basic structures and roofs, but also for doors, window frames, floors, wall cladding and insulation. Timber is available regionally and easier to obtain and to work than both other construction materials, and, as a consequence, has a better energy balance. Additionally, using wood in such long-term application means the CO2, which the trees fixed during their lifetime is not released into the atmosphere again for a few decades. In residential construction, the share of timber constructions was around 13% in 2004, a total of about 10,000 houses. Generally, it is estimated that about 50 to 60% of Germany's annual timber harvest are used in building*”.

4.2.4 Incentives for wood in the Building sector

The German Government both at national and regional/ state level has strict policies in place to force building with low energy requirements. This may be seen as an opportunity to use more wood but is indirect, not focused and not enforced in any regulations at this stage.

Germany also has a national green building council and rating system known as DGNB which is becoming more influential. DGNB adopts a comprehensive life cycle assessment approach to green building takes the view that "it is crucial that the DGNB does not assess individual measures but instead the overall performance of a building or urban district". DGNB has been a major advocate for use of LCA-based Environmental Product Declarations (EPDs) as a standard basis for provision of environmental information on construction materials and products. As such it provides a significant opportunity for wood which tends to perform well when environmental impacts are assessed in balanced way on a full cradle-to-cradle basis. But at this stage there are two main constraints. Firstly, there is still not enough LCA and EPD data available for a wide range of wood products. Secondly, the DGNB code is just a recommendation and is not legally binding. If the situation on both these issues were to change, then DGNB could provide a huge boost for the forest products sector.

4.2.5 Government timber procurement policy

To avoid purchasing illegally produced timber the Federal Government adopted a joint instruction for wood products in January 2007. In accordance with this procurement regime, wood products procured by the Federal Administration must demonstrably come from legal and sustainable forest management. The bidder has to furnish proof of this by presenting a certificate of FSC, PEFC or comparable certificates or by producing individual specifications. Comparable certificates or individual specifications are accepted if the bidder can prove that the criteria of FSC or PEFC applying to the respective country of origin have been met.

The policy clearly has the effect of boosting demand for certified wood products compared to uncertified wood products. However, since wood is the only product subject to any requirements on sustainable sourcing, it is more likely to act as a constraint to overall market demand for wood compared to non-wood materials.

4.3 Private sector initiatives

4.3.1 GD Holz (German Timber Trade Association)

GD Holz represents 900 member companies of the German timber trade. DG Holz is a member of the DHWR (German Timber Council), a founding member of the FSC Working Group in Germany, member of the German Forstzertifizierungsrat of PEFC and on numerous national advisory boards relating to wood use. At international level, GD Holz is a member of the ETTF (European Timber Trade Federation) and FEBO (Fédération Européenne du Bois de Négoce).

The bulk of GD Holz activity is representing member's interests through lobbying. It is currently very active communicating on the forthcoming EU Timber Regulation, and has applied to be a Monitoring Organization (MO) under the new law. As an MO it will be responsible for developing a due diligence system designed to minimise the risk of illegal wood entering the supply chains of member companies. GD Holz already administers a code of sustainable practice for its members.

Earlier this year, GD Holz launched a new advertising campaign to promote itself and it's member services to manufacturing industries and consumers. Details of the campaign are not known but it is planned to run for two years

4.3.2 HDH (German association of wood industries)

HDH is the lead organization representing German wood and plastic processing industries. Members include the German furniture industry association (VDM) and the

German Parquet Industry association (VDP), German prefabricated building association (BDF) and the window and cladding association (VFF). This is the most powerful wood industry group in Germany and its main role is to lobby and represent the interests of the industries it represents, at a political level. It also has a strong PR campaign that helps to promote the existence and activities of these industries. At the moment it does little generic wood promotion although it clearly has the potential funding and administrative resources to take a lead on national wood promotion. One of the reasons this has not happened is that HDH represents companies that also work with non-wood materials.

4.3.3 Real wood veneer promotion campaign

In 2011 HDH took over the running of the wood veneer campaign “Initiative Furnier & Natur (IFN)” which literally means “natural veneer” and exists to promote real wood veneer to consumers to help them differentiate between wood veneer and paper and foil finishes. Member companies can sign up to use a label and logo brand as part of their marketing to retailers and consumers. IFN was formerly part of GD Holz.

An evaluation of the IFN campaign undertaken in early 2011 suggested that its’ impact has been mixed to date. Despite significant investment in marketing of real wood veneers over several years, the level of veneer consumption in Germany hardly grew. The evaluation showed that end-use sectors for veneers in Germany have shifted radically and not always in directions favourable to veneers. For example, in the mainstream veneer markets of furniture, doors and panels, real wood veneers have continued to lose out to artificial surfaces. In the furniture and flooring sectors, a significant problem is lack of awareness of real wood veneered products amongst sale staff who continue to direct customers to cheaper laminated products. Similarly awareness of real wood veneers remains restricted amongst architects and designers. Even the traditional wood trade has little understanding of the product so that larger veneer companies are now taking the initiative and marketing direct to designers and consumers.

The evaluation expressed the hope that some of these trends could be reversed using a new on-product label with the tag-line “Das Beste vom Holz Furnier” (The Best of the Wood – Veneer). The veneer sector is also hoping to exploit an emerging trend in the mainstream furniture sector to increase efficiency of material use, making products which while looking expensive and relatively durable, are cheaper to produce and light and therefore easier to transport over longer distances.

4.3.4 Other associations

Zukunft Holz GmbH (ZHG) is an umbrella organisation of associations representing forest owners and the timber industry. It lacks the funding and resources of the former HAF so as result it is not very active. The organization is based in Berlin. The two main organisations that support ZHG are the German Forestry Council (DFWR) and the German Timber Trade Council (DHWR).

BSHD (Association of German Sawmills) is an important organization in Germany with the primary role of political lobbying on behalf of members. It is not yet active in promotion. However, it is going through a rebranding and name change at the beginning of 2013 so the balance of activity may change.

DFWR is the voice of the forestry industry in Germany representing more than 2 million landowners. It funds forestry research projects and also promote sustainable forestry practices.

4.4 Conclusions

As things stand, there is little direct co-ordinated promotion of wood at national level in Germany, either by organised private sector campaigns or government policy initiatives. Existing high levels of domestic wood utilisation, combined with a past challenge to the use of a levy to fund promotional activity, have acted to dampen enthusiasm for major initiatives.

There also remain major obstacles to further wood market development in Germany. A significant constraint is that the German construction industry is focused on delivering steel and concrete buildings. Wood construction has a very small share and is the domain of the specialist fabricator. For the construction industry to embrace wood construction on a significant scale there will need to be incentives or legislation to force change.

More positively, the German government and forest products industry has now identified a need to develop alternative wood utilization and supply strategies with special emphasis on improved raw material efficiency and the “cascaded” use of wood. As a result new policies and financing mechanisms are being put in place that might provide new opportunities for marketing of solid wood products in the future.

5. Wood promotion in the UK

5.1 Relevant background

Compared to other European countries, the UK wood sector has a relatively high level of dependence on imports. UK saw and veneer log production is around 6 million m3 per annum, consisting of around 99% softwood and only 1% hardwoods. The UK has quite significant MDF and particleboard manufacturing capacity with total production of these products at around 3.4 million m3 in 2011. Only a proportion of UK sawlog production is destined for structural timber, much consists of lower grade material used for pallets and fencing. In 2011, the UK imported 20 million m3 (RWE) of solid timber products, including 13 million m3 from inside the EU and 7 million m3 from outside the EU. A large proportion of structural grade timber is imported into the UK from Scandinavia and the Baltic States. Appearance grade timber for joinery or furniture manufacture is rarely cut from British-grown softwood trees and the vast majority is therefore imported.

Relative lack of UK domestic wood supply compared to other European countries has meant that there has been less of a government incentive to actively promote wood products and less availability of promotional funds from the home-grown industry. Government policy in relation to wood tends to focus more on issues surrounding illegal logging and certification of sustainable forestry practices than positive engagement to develop wood markets. Nevertheless, the UK is a large consuming market for a wide range of timber products, with the result that it has been a focus for wood promotion by external wood suppliers, notably in Scandinavia and North America. Historically the UK's Timber Trade Federation (TTF) has played an important co-ordinating role in wood promotion in the UK.

Another implication of relative lack of domestic wood supply, combined with lack of strong wood culture in the UK, is that wood's share of the construction market has traditionally been quite low. Increasingly effective promotion and market development by the UK wood frame sector led to significant gains in share until very recently. Timber frame's share of the UK construction market increased from only 11% in 2001 to 22% in 2010. But there was a potentially ominous decrease in timber frame's share to 17% in 2011, the lowest percentage since 2006. This is partly due to a rise in the proportion of larger detached houses being built at the expense of semi-detached and terraced houses. However it may also be indicative of increasingly vigorous marketing and technical development campaigns by major competitors in the concrete, masonry and steel sectors.

5.2 Government policy measures to promote use of wood

With only one minor exception (see Wood First below), there are no central or local government policies in the UK giving explicit preference to wood products, whether or not locally produced. A recently released report by the UK Independent Panel on Forestry, commissioned by the UK Department for the Environment, included a recommendation for a "Wood First" rule to be included in local authority planning guidance. However this is only guidance and the UK government is not now expected to support any compulsory policy or legislation to back up the recommendation.

However, there are green building initiatives operating in the UK with considerable direct government support which offer potential to improve overall demand for wood products in the UK. Of particular significance is the Building Research Establishment's Environmental Assessment Method (BREEAM) and related Code for Sustainable Homes (CSH).

BREEAM is a tool for comparing the environmental impact of whole buildings across their entire life cycle. Buildings are scored overall out of a hundred on a scale of ‘Pass’ (over 36 points), ‘Good’ (over 48 points), ‘Very Good’ (over 58 points) or ‘Excellent’ (over 70 points). The government announced in its sustainability action plan “Achieving Sustainability in Construction Procurement” that from March 2003 all government procured projects must achieve a BREEAM or equivalent rating of “Excellent” for new build and “Very good” for refurbishments. This policy was never fully acted upon – many local authorities are known to have dropped an earlier commitment to BREEAM rating of projects following cost assessments. Nevertheless, implementation of BREEAM in the UK has progressed much faster and further than most other green building initiatives elsewhere in Europe. By the end of 2011, some 245,000 buildings had been BREEAM certified and a further 950,000 were registered for certification.

Recent government policy commitments mean that the BREEAM standard is now becoming even more significant. The Code for Sustainable Homes (CSH), which draws directly from BREEAM, was introduced as a regulatory standard in England in April 2007. It briefly became mandatory for all new homes in England in May 2008. However this requirement was suspended in May 2010 due to the serious downturn in home construction in the UK during the recession. When in force, the mandatory requirement meant that all homes had either to be assessed against the Code and given a certificate indicating the rating achieved, or homes were not assessed and deemed to have achieved a zero rating against the Code. The idea was that this information would then be conveyed in the form of a certificate to the buyers of the new homes.

While the requirement for use of the CSH is now no longer mandatory in private sector construction, it remains a condition of funding for nearly all public sector social housing in the UK. As a result, use of the CSH has risen dramatically. In fact, in 2011 around 50,000 new houses were certified against the code, that's about 42% of all new houses built during the year. The vast majority of certified houses were funded by the public sector. Uptake in the private sector is still relatively limited. But this is expected to change. The UK government continues to maintain a target that by 2016 all new homes must be zero carbon - which means they will have to achieve the highest possible rating (known as Level 6) under the Code. Most large house builders in UK are working on the assumption that achieving strong ratings against the CSH will be a crucial factor in long term market development.

Introduction of BREEAM and the CSH is certainly improving the competitive position of timber frame construction against traditional building systems like standard masonry construction. However, neither standard provides a significant direct incentive to use more wood. In fact wood is required to meet tougher minimum requirements for legal and responsible sourcing (including a strong preference for FSC and PEFC certification) than any other building material. The direct incentives for use of wood add up to no more than around 4% of all points available under the standards. The vast majority of credits are issued for good performance in the areas of energy efficiency, air-tightness and insulation, good ventilation and heat recovery. There are also credits for compliance with standards for sound insulation of walls and floors.

Wood construction systems - particularly modern prefabricated systems - can perform well against all these criteria. However there is no automatic preference for wood and building systems using non-wood materials are often capable of performing just as well. Certain specific benefits of wood use - notably carbon sequestration - are given no credit under the standards.

5.3 Private sector initiatives

5.3.1 Wood for Good (WfG)

WfG is billed as the UK's sustainability and wood promotion campaign. WfG was initiated in 2003 by the Nordic Timber Council (NTC) as a high profile 3 year campaign to increased wood use in the building sector. It also had a remit to raise awareness of wood amongst consumers as well as professionals. The Nordic softwood producers provided the majority of the funding amounting to millions of pounds annually which was used primarily for advertising and even TV commercials. There was some promotional activities, such as workshops, seminars and design competitions, but they accounted for a small share of the budget.

WfG undoubtedly raised the profile for wood. It also helped put the environmental arguments for wood more in the minds of consumers and countered the damaging effects in the public's mind of tropical forest destruction. However, it is debatable whether it has directly contributed to increased wood sales. WfG also had some negative consequences. For example when it tried to focus on the positive carbon role of wood to address climate change under the banner "wood C02 less" it was taken to the advertising standards authority by competing industry's as it could not back up the headline claims with enough specific scientific data.

Some time after the original WfG campaign took place the NTC was disbanded. It had been a jointly funded organization by the Finnish and Swedish softwood producers. Whereas the Finns promotional profile faded the Swedish industries remained active through a new organization "Swedish Wood". Swedish Wood has continued to contribute to WfG but has gradually reduced its contribution. For a while continued funding was dependent on UK trade and industry providing matching funds, through contributions from associations and individual company members. It is not clear if this is still the case or what funding, if any, "Swedish Wood" still puts into WfG, as they are currently pursuing new initiatives with a pan European approach (Wood: Growing Cities – see section on European promotion)

Although the campaign claims a generic wood message it was, and remains so today, largely a softwood campaign driven by Scandinavian and UK softwood forest owners and producers. There is some support from companies trading in hardwood but it is small and the messages and case studies do not yet provide any specific promotion for hardwood.

WfG is now managed by the UK industry led by the UK Timber Trade Federation (TTF). TTF's main funding also comes from the softwood and panel sector. For many years after the Scandinavian funding reduced the campaign limped along with a relatively low profile. However, in the last few years the mandate has been revived and new funding has been sought from the UK wood sector, with some success. It is also now seen as the promotional arm of the TTF and has taken on new staff and embarked on a new campaign aimed at changing policies towards wood especially in the construction sector. This time it is trying to learn from past mistakes and use the limited funding it has to target specific activities and messages. WfG has appointed a communication officer and drawn on admin resources from the TTF. WfG has also returned as a major supporter of the “wood awards” (see separate section below) and is now behind two new campaigns “wood first” and “wood first plus”

5.3.2 “Wood First” (WF)

WF is an initiative of WfG and the UK TTF which aims to persuade local government to give preference to timber in publicly funded construction projects. WF highlights to local authorities timber’s renewability, and its low-carbon in use and carbon sink properties. The message is if you increase the long- term demand for timber, you will increase forest cover, thereby increasing the amount of carbon sequestered and stored in a renewable process. The campaign also stresses timber’s thermal insulation properties and capacity to substitute for energy-intensive, high-carbon products. WfG is urging local authorities to introduce the timber preference in planning guidelines.

One of the first approached by the TTF was the Borough of Hackney in London and which has now put out to consultation a policy including many of the Wood First recommendations. Hackney’s support for the policy was assisted by the fact that the Borough is home to a tower block of nine storeys which is currently the UK’s largest commercial timber frame building. Other local authorities are also now considering the concept.

An interesting development since launching the campaign has been the very positive response from architects and engineers already involved in timber frame construction. Their vocal support of the “Wood First” principle has given the campaign extra momentum. Local authority specifiers are much more likely to follow recommendations from fellow architects and engineers than they are from industry representatives with a vested interest.

Nevertheless, there remain significant obstacles. The construction industry, backed by the concrete, brick and steel industries, is currently lobbying very hard to encourage Hackney to drop the policy as ineffective and unrealistic.

5.3.3 “Wood first plus”

“Wood First plus” (WF+) is a multi-stakeholder collaborative R&D project within the remit of “Wood First”. Current partners are WfG, TTF, Forestry Commission Scotland and the UK Timber Research and Development Association (TRADA). WF+ has been created to help feed into and support the objectives of the “Wood First” campaign. It therefore targets three areas believed to be key to specification and design with timber:

1. Carbon: aim to provide a much clearer picture of the carbon credentials of timber products, carbon sequestration in forests and the potential benefits for carbon emissions of locking up carbon in durable wood products.

2. Life Cycle Assessment: aim to gather data and then communicate the environmental impacts associated with timber through LCA methodology and provide systems to develop Environmental Product Declarations for timber products and identify areas of significant environmental impact to aid supply chain improvements and efficiency.
3. Engineering and performance: focus on the requirements and compatibility with Building Information Modelling (BIM) and structural analysis software ensuring the necessary data is easily accessible to aid design in timber.

Data gathering will be in four key areas; sawn timber, panel products, engineered timber, and associated products (such as fixings, fastenings, and adhesives). The data collected for each work stream will then be housed on a website managed by WfG. All information will be free to access.

The objectives of WF+ are ambitious given current levels of dedicated funding. In practice, the initial task will to be to assess what is already available in terms of information and research and then to highlight data and knowledge gaps. The intention will then be to seek specific funding for targeted research projects.

5.3.4 Wood Awards

The Wood Awards (WA) was created in 2001 out of the Carpenters' Awards that had been running since the 1970's to award excellence in timber use as an initiative of the London livery company the Worshipful Company of Carpenters (CC). The CC remains a major stakeholder in the WA along with the American Hardwood Export Council (AHEC). WfG have also been involved, although there was a period of a few years when they withdrew funding. Other organisations that have supported WA include TRADA, Canada Wood, American Softwoods, Forestry Commission, British Woodworking Federation (BWF), Malaysian Timber Council, and English Heritage.

The WA currently raises around £120,000 annually to run and promote the awards scheme that recognises design and craftsmanship in building projects, structural applications restoration and furniture production. There have been consistently 180-200 entries in recent years with some of the UK's most well-known architectural practices winning awards. Every year the supplement promoting the winning projects is distributed to well over 30,000 professional designers and architects.

In addition to the annual awards' process and ceremony, the WA promote the event throughout the year with seminars and workshops where past winners talk about their projects to architectural audiences. In 2012 the WA also had a stand promoting the short-listed projects at the "Ecobuild" show held in London every year and the "Timbershow", which has been held in Coventry during the last two years. In both cases space was donated by the show organisers and the stands manned by representatives from sponsor organizations.

The WA has consistently raised the profile for wood in the design and architectural media and has probably been one of the most effective tools for wood promotion in the UK, given what it has achieved with relatively small amounts of funding. It is one of the few promotional activities that unites a diverse group of wood interests, not just in the UK but also amongst overseas suppliers.

The WA is unique in terms of wood promotion in the UK as the supporting organisations don't control the outcome (independent judges from the architectural and design community) or influence the event in favour of their product or material. A steering committee, chaired by the CC, decide collectively how the event is structured. No one organisation dominates.

5.3.5 Timber Trade Accord

In a new attempt at cohesion, 12 timber trade bodies representing the UK forestry and timber sectors have signed an industry accord to increase cooperation and boost competitiveness. The Accord pledges signatories to work together in areas of common interest and towards strategic goals so that '*stakeholders see a collaborative approach and that best use is made of available funding and resources*'.

Accord signatories include: British Woodworking Federation; Confor; Timber Packaging and Pallet Confederation (TIMCON); Timber Research and Development Association (TRADA); Timber Trade Federation; Trussed Rafter Association; UK Forest Products Association; UK Timber Frame Association; Wood for Good; Wood Panel Industries Federation; Wood Protection Association; and the Timber Cladding and Decking Association.

5.3.6 Other initiatives and organisations

In addition to these main wood promotion activities there are a number of other UK wood associations that actively promote the products and services of their members. They include:

<u>Wood Window Alliance (WWA)</u>

The WWA is an initiative of the British Wood Working Federation (BWF). The WWA was formed in 2007 by a group of leading joinery manufacturers, installers and component suppliers. The Alliance's objectives are to:

- Set the industry standards for high quality timber windows sold in the UK and Irish market
- Offer the reassurance of a quality benchmark for window performance, service life and sustainability
- Promote the advantages of wood and wood composite windows to architects, builders, local authorities, conservation groups and retail customers.

As part of its promotion activity, WWA has commissioned a number of studies including a detailed carbon footprint analysis of wood windows so it's environmental credentials can be compared to other non-wood window products.

<u>Confor</u>

Confor's objective is to promote UK forestry and wood. It is, first and foremost, a members' organisation, funded by and accountable to people and businesses that own forests and work in forestry or with wood and forest products. The aim is to support sustainable forestry and low-carbon businesses through promotion of markets for forest products and helping improve members' competitiveness. Confor's remit covers all parts of the UK domestic wood supply chain, from nurseries through to forest owners, agents, contractors, harvesters, sawmills and other users of wood. Confor provides the sector with a voice in the market place and in all levels of government - international, UK and local. It is a major contributor to “Wood for Good”

TRADA

The Timber Research and Development Association (TRADA) has a 70 year history and now survives as a non-profit organisation that is privately funded through its membership from the wood sector and specifiers, such as architects. TRADA offers free technical information on use of wood and wood products and also paid services to members and non-members, including product research and quality assurance. TRADA launched the annual “Timbershow” in 2011 that showcases timber products. Still in its early development, the Timbershow has yet to succeed in one of its primary objectives which is to attract significant numbers of architects and specifiers.

Non-European wood suppliers promotion

There are a number of non-European wood associations operating around Europe but which are particularly active in the UK. This is partly because their European offices are located in the UK and partly because the UK is the largest single EU import market for many wood products. Organisations include the Malaysian Timber Council (MTC), Canada Wood, AHEC, and American Softwoods. Of these organisations, AHEC has easily the highest profile (and probably the largest promotional budget) with a series of projects including partnerships with major design festivals such as the London Design Festival and Hay Festival that regularly achieve extensive national and international media coverage.

5.4 Conclusions

As a country with only a relatively small native forest resource and a high dependence on imports, the UK government has yet to develop any formal policies that directly favour wood. In fact, a strong preference in the public sector for wood that is certified sustainable, without any equivalent requirements being imposed on alternative materials, may have worsened market conditions for wood products. The UK government's strong support for the BREEAM green building initiative and associated Code for Sustainable Homes, may have helped improve demand for timber frame relative to other building systems in recent years. However, other factors such as speed of timber frame construction and improved prefabrication are likely to have been more important drivers of demand. The decline in timber frame's market share in the UK during 2012 may be an ominous sign that other materials supplying sectors are beginning to improve relative competitiveness in the post-recession regulatory and market environment.

However, the UK wood industry has not been idle. The Wood for Good campaign has had some success over the last decade and has recently received new funding and is now taking on new staff, which promises well for the future. The Wood Awards campaign, and a very active AHEC presence in the UK, is also significantly increasing the profile of wood in the architectural sector where there are signs of a growing appreciation of the technical, aesthetic and environmental benefits of timber.

6. Wood promotion in Switzerland

6.1 Relevant background

The Swiss wood market is taking on new significance. Thanks to robust domestic demand, the Swiss economy is performing better than other European economies. This is despite declining export demand for Swiss products due to the strong Swiss franc and economic recession in neighbouring countries. Investment in Swiss construction and domestic household demand are being supported by historically low interest rates, falling inflation and a growing population (as a result of continuous immigration).

The Swiss have a long term cultural attachment to forests and wood. Wood frame housing occupies an important position in the Swiss construction sector. Of around 40000 housing starts in Switzerland each year, 8000 (20%) are timber frame. Switzerland also has a very long tradition of sustainable forestry based on community regulated systems of management. For over a century Swiss national forest law has placed considerable emphasis on maintenance of forest area. Its central principle of “no deforestation without afforestation” has been so successful that the rise in forest area at the expense of other potential land uses is seen as a problem in some regions.

Swiss experience of communal action on forests is now reflected in national policy and legislative frameworks which forge a close link between efficient forest management and wood demand. Amongst European countries, Switzerland is unusual for the extent to which there is coordination of government policy on forests, material procurement, housing, energy and climate change. There is also co-ordination of wood marketing activities, with close links forged between the co-operative wood marketing activities of Swiss communities, the Swiss Cantons (states) which have primary responsibility for forest law enforcement, and the private sector.

So successful has Switzerland been in co-ordinating domestic timber production and demand, that the country is almost self-sufficient in wood. This is all the more remarkable given the ruggedness of much of Swiss terrain and the fact that Switzerland is surrounded by large timber producing countries. In 2011, Switzerland harvested 5.1 million m3 of timber, a figure only slightly below average for the last 20 years. 3.3 million m3 (64%) derived from public forests and 1.8 million m3 (36%) from private forests. The harvest included 2.83 million m3 of sawlogs, 91% of which were softwood and only 9% hardwood (mainly beech). The remaining harvest consisted of smaller dimension wood for the energy sector (1.7 million m3) and pulp and paper sector (0.53 million m3).

Swiss log imports are low and mills source logs almost exclusively from domestic forests. Swiss sawlog imports amount to no more than around 100,000 m3 per year. In 2011, 2.16 million m3 sawlogs were processed into 1.31 million m3 of sawn wood. 96% of this was softwood and only 4% hardwood. Last year, Switzerland imported 409,000 m3 of sawn softwood and 64,000 m3 of sawn hardwood. The country exported 203,000 m3 of sawn softwood and 16,000 m3 of sawn hardwood.

In addition to sawn wood, Switzerland produces around 400,000 m3 of particleboard and 550,000 m3 of fibre board. These volumes are sufficient to cover domestic consumption and Switzerland is a net exporter of these products. Switzerland produces no plywood and typically imports around 100,000 m3 a year.

While Swiss producers maintain their dominance of the domestic market, they have faced challenges. Export markets have been weakening, notably in Italy which has been an important sales channel for Swiss timber. Swiss sawn softwood producers are also facing increasing competition from German and Austrian glulam manufacturers able to offer strong and stable products at relatively low prices in Switzerland. Another problem is that there is little processing capacity to utilise Switzerland's domestic hardwood resource with the result that much of the hardwood harvest ends up supplying lower value sectors, particularly the growing market for energy wood, rather than potentially higher value construction markets.

6.2 Government policy measures to promote use of wood

6.2.1 Wood Resource Policy

Switzerland is notable for the high level of government intervention in wood market development. The Federal Office for the Environment (FOEN) is responsible for managing access to Switzerland's natural resources. As such, FOEN sees its role extending into the sustainable and efficient use of wood from native forests. To implement these objectives in a targeted way, FOEN has formulated a Wood Resource Policy (WRP) covering the period to 2020. A Wood Action Plan (WAP) has been established to facilitate the target-oriented implementation of the policy. The policy and action plan were based on consultations and cooperation with the Swiss cantons and the forestry and timber sector. FOEN is also seeking to coordinate the Wood Resource Policy with policies in other sectors such as energy and regional development.

The WRP includes federal government actions in relation to wood promotion under the following seven themes:

1. Support for knowledge transfer. This has involved a broad range of activities including research and publication of data on forest inventory and potential for increased utilisation, current and potential wood consumption and the life-cycle assessment (LCA) of wood as both a material and energy source. On LCA, Switzerland has already established the Ecoinvent national life cycle inventory database covering a wide range of materials. However, research mandated under the WRP suggests that, due to outdated data, the relative performance of wood in Ecoinvent as a material and energy source is merely average. Specific work is therefore on-going to update and expand the database to include more representative data on a wider range of wood products. This is being combined with development of fact sheets and recommendations for sustainable building.
2. Encourage increased wood mobilisation through provision of information to forest owners on the benefits of increased utilisation.
3. Provision of information for and raising public awareness of the importance of increased wood utilisation and how it relates to provision of other forest functions. This has included a major campaign to raise awareness and inform the general public of the value of more intensive forest harvesting. The campaign has included TV advertising, an internet website and Facebook page.
4. Innovation to increase potential for recycling and use of hardwood. This has included a hardwood design competition and a demonstration project involving use of beech glulam to construct a large-span farm building.

5. Further development of energy-efficient and large-scale timber construction systems and use of wood in renovation projects. This has included projects to develop technical standards and information on timber “sound insulation”, “fire safety” and “doors”.
6. Raising awareness of institutional end users on timber structures and wood energy. This has involved various awareness raising programmes including training courses, conferences and seminars for institutional construction clients.
7. Design of general policy conditions and coordination with relevant partners on topics concerning wood.

The Wood Action Plan was originally scheduled to run for four years (2009-2012) and FOEN earmarked CHF 4 million per annum during this period. In May 2012, the Federal Office for the Environment (FOEN) decided to extend the programme to 2016, again with a budget of CHF 4 million per year. This followed an evaluation which indicated that the plan had encouraged greater use of timber in construction, notably through the development of fire protection and sound-proofing systems. The details of the new Wood Action Plan 2013–2016 are currently being developed and are expected by the end of 2012.

6.2.2 Federal government support for forest and timber research

The Swiss government is notable for the relatively high level of priority and funding it allocates for forest and timber research. The Foundation for the Promotion of Forest and Timber Research (Fonds zur Förderung der Wald- und Holzforschung) has been supporting projects in the area of “applied forestry and wood research” since 1946. The foundation currently manages a budget of approximately CHF 0.5 million which is drawn from federal and cantonal sources. The Swiss National Science Foundation (SNF) also supports research projects on wood and derived timber projects. Recent examples have been projects on adhesive jointing in wood and the behaviour of wood at different moisture contents.

Significant new opportunities for research on wood are now being created following authorisation of the Federal Council of the National Research Program (NRP 66) on “Strategies and technologies for the optimised use of the resource wood”. NRP 66 is running for five years (2011 – 2015) and has a budget of CHF 18 million. Its aim is to provide a scientific, technical and application-oriented basis for increased use of wood. The programme is divided into six thematic modules including: raw wood – availability, procurement policy and processes; life-cycle management of wood-based material flows; material conversion of wood into exploitable chemical substances; energy use of wood; wood as a material for components; and wood as a material for structural framework and buildings. Two new professorships have been created at the University of Basel and the Swiss Federal Institute of Technology Zurich (ETHZ) as part of NRP 66.

6.2.3 Swiss CO2 Act

Through the Swiss Federal CO2 Act, which was passed in 1999, Switzerland aimed to reduce energy related CO2 emissions by 10% during the period 2008-2012 (as compared with 1990 levels). The Act has since been extended with the aim of further emission reduction targets during the second Kyoto commitment period from 2012 of at least 20% by 2020 (as compared with 1990 levels) and with the option to increase the target in line with international commitments beyond Kyoto.

Since January 2008, the Act has imposed a CO2 tax on fossil fuels (including heating oil & natural gas) of CHF12 per tonne of CO2. The tax is not levied on biofuels, including energy wood, and has thereby provided an indirect incentive to increase use of wood for energy in Switzerland.

From 2012, in line with Kyoto Protocol commitments, the Act specifies that forest management activities and harvested wood products (HWP) will be accounted for in the Swiss national carbon account. A fund has been established to develop the necessary capacity and technology and to gather the data to achieve this. This commitment has been an important factor encouraging Swiss government support for measures to increase carbon storage in domestic forests and domestically produced wood. A 2007 Swiss government study on the potential contribution of the Swiss forestry and timber sector to the reduction of CO2 emissions showed that the best long-term effect was achieved by regular sustainable harvesting to maximise forest growth and carbon storage in timber products . This in turn allowed greater substitution of more carbon-intensive materials. The report led the Swiss government to integrate the concept of “cascaded wood use” (first material use, then as energy wood) into national policy.

Under the terms of the Act, the Swiss government has also analysed the costs of different carbon mitigation options. The results of this analysis indicate that interventions to reduce energy use in the building sector are likely to be the most efficient and cost-effective. As a result, CHF 300 million from the CO2 tax is earmarked to subsidise carbon mitigation measures in buildings. At least two thirds of this funding is to be dedicated to a nationally harmonised building refurbishment programme (insulation of roofs, walls, floors and ceilings and replacement of windows). One third is available as matching funding for cantons’ efforts to promote renewable energy (including wood-fired heating systems), waste heat utilisation and building services engineering.

6.2.4 MINERGIE Label

MINERGIE is a registered quality label for new and refurbished building, initially designed to promote energy-efficient construction by marking buildings on the basis of their energy consumption. More recently, the Minergie Standard has been extended into the Minergie-Eco-Standard that also includes requirements for environmentally friendly materials that do not damage the health of building occupants. Although wood is not explicitly favoured by the standard, wood should be promoted due to its low carbon content and strong health credentials. The trademark is supported by the Swiss Confederation and the Swiss cantons along with trade and industry.

6.2.5 Declaration for Wood and Harvested Wood Products

The Swiss Ordinance on the Duty of Declaration for Wood and Harvested Wood Products was introduced in October 2010, partly in response to the EU Timber Regulation (EUTR). Implementation of the Ordinance provisions has been mandatory since January 2012. The Ordinance is based on the principle of market transparency. It does not contain any restrictions or new border controls but obliges all traders who sell wood products to declare the type of wood used and its country of harvest to the end consumer. The information provided by the declaration is intended to enable consumers to make an informed decision when purchasing a product. Only raw wood and solid wood products (including glulam and solid wood furniture) must be declared during the first stage of implementation. Veneers, derived wood products, parquet and doors are currently excluded but are expected to be phased in following implementation of the EUTR from March 2012.

6.2.6 Government procurement policy

The Swiss Confederation has published a “recommendation” for procurement of sustainably produced wood. This requires that 100% of wood material originates from legal and sustainably managed sources. Previously, only FSC and PEFC certification were recommended as acceptable proof of sustainability. However, the recommendation was recently amended so that sustainability may also be demonstrated by proof of origin in a country where legal provisions and reliable enforcement ensure sustainable development of forests. This is guaranteed in the case of Swiss wood by the Herkunftszeichen Schweizer Holz label of Swiss origin (see below).

6.3 Private sector initiatives

6.3.1 Lignum Campaign

Switzerland has a large unified national wood promotion campaign. The Lignum campaign brings together 16 associations of the forest and timber industry, 34 regional working groups in the Cantons, 3900 individual members and 450 company members. The campaign’s aims are to establish the optimal market conditions for sustainable wood use in Switzerland and to ensure continuous growth in market share for wooden buildings. Precise information on the annual budget is not publicly available, however judging by the amount of finance Lignum directs towards technical development projects, funding is considerable. Technical projects on fire safety received CHF9 million; on acoustics in wooden construction received CHF6.9 million; on sustainability received CHF0.75 million; on earth quake safety received CHF0.5 million; and on wooden joints received CHF1 million.

Lignum undertakes a wide range of promotional activities including: publication of a quarterly bulletin in French and German (Holzbulletin/Bulletin Bois) to provide wood-related information to building professionals; active participation in technical committees relating to construction and material use with the objective of ensuring these give appropriate recognition to wood properties; political lobbying both nationally and internationally; preparation of technical documentation (brochures, books); delivery of technical courses and assistance (hotline); participation in trade shows; sponsorship of the Lignum Prize for wooden architecture awarded every 3 years (most recently in 2012); preparation of consumer brochures and CDs; and a website providing information for both building professionals and consumers.

A key recent activity by Lignum has been to develop "Timber Trade Practices". In force since September 2010, the Practices establish rules developed and recognised by the sector for ease of communication in the wood chain and between the sector and end customers, such as planners and architects. The rules are divided into two parts. The first deals with raw wood and includes not only provisions on sawlogs but also on industrial and energy wood. The second part contains quality criteria for timber and derived timber products used in construction and renovation. These define the requirements to be fulfilled sawnwood, planed timber, structural timber, and derived timber products. Based on the defined quality classes, the Practices provide architects and planners with a user-friendly framework to compile invitations to tender for timber and derived timber products. The Practices create legal certainty for the trade in timber and facilitate its marketing.

The campaign has had a positive impact on use of wood in construction. Wood's share of overall new-build value in the multi-storey sector increased from 0% in 2003 to 4.9%. Share of the overall new-build single-dwelling market increased from around 18.5% in 2003 to around 20% in 2009. Share of utility non-residential construction increased from around 7% in 2001 to 14% in 2011.

6.3.2 Swiss Origin Label

In 2009 the forestry and timber industry introduced a new label ("Herkunftszeichen Schweizer Holz", HSH). It is managed by Lignum, the Swiss timber sector marketing organisation. Its main purpose is to show and prove the Swiss origin of timber products. The intention is to raise awareness of end users that Swiss wood is produced in accordance with strict sustainability requirements set out in national legislation. It also seeks to exploit (simplistic) consumer perceptions that low transport distance equates to low carbon emissions associated with a product.

The HSH guarantees the traceability and documentation of a wood product from its origin in Switzerland to the end user. Products bearing the HSH label may contain up to 20% of wood of foreign origin if it comes from a comparable (low risk) region of origin and is supported by a sustainability certificate or equivalent declaration of origin.
Since September 2011, all wood originating from Swiss forest areas can be marked with the HSH label. Use rights are assigned to forest owners if they are prepared to fulfil the conditions of the regulation. The cantonal forestry sector associations monitor compliance with the regulation requirements.

6.3.3 CO2 Bank

A new marketing tool, the "CO2-Bank", was introduced in 2011 under the auspices of the Swiss association for certified quality houses (VGQ). This web-based database enables individual companies to report their wood consumption data and hence the amount of CO2 storage achieved. This information may then be indicated on the actual structure by mounting a plaque. Carpentry workshops, timber construction companies, and architectural practices can open an account and enter data about the objects they produce in wood. The reduction in CO2 emissions arising from use of the wood is calculated automatically.

6.4 Conclusions

Of all European countries, Switzerland may come closest to being a model of the ideal approach to wood promotion. No doubt the framework that has evolved has flaws and in some respects the practice may fall short of the comprehensive plans on paper. However, Switzerland has gone further than most other countries in attempting to develop a framework for wood utilisation and promotion that integrates domestic forest resources and wood supply with the nation's response to related issues such as climate change, biodiversity protection, energy policy, and construction.

In achieving this, Switzerland has been able to build on a long tradition of communal action on forests and local democracy. It has also put the concept of "cascaded" wood utilisation and resource efficiency right at the heart of government policy and taken concrete steps to act upon it. The private sector has also been able to build on a large and unified wood campaign which delivers significant funding not only for promotion, but also for research and development and political lobbying.

7. Wood promotion in Austria

7.1 Relevant background

Austria plays an important part in European wood promotion. Commitment to wood promotion is built on a large domestic forest resource and industry which has encouraged a strong wood culture in the country. Forests cover 4 million hectares in Austria, just under half of the country's total area, and hold 1.1 billion cubic metres of useable wood. Around 31 million new cubic metres grow every year and only two-thirds of this volume is harvested. 18% of forests are owned by the government (15% by Österreichische Bundesforste AG, the federal forestry management company), but the greatest majority (82%) by far is owned privately.

Approximately 280,000 people in Austria earn their living from the forests and wood (not including employees in wood and building supply wholesaling and retailing). Thirty thousand jobs in the country are provided by the 1,800 companies in the wood industry alone, and wood is also the raw material and basis of existence for thousands of small cabinetmakers and carpenters, and for the dozens of paper and cardboard manufacturers and processors, which employ over 20,000 people. The gross production value of the wood sector (around €4 billion) is generated primarily by the paper industry (41 per cent) and the wood industry (19 per cent), as well as by the paper processing, forestry, wood trade and wood processing industries. Nearly 70% of Austrian production is exported, mainly to Italy but with significant sales in Germany, the USA and Japan.

7.2 Government policy measures to promote use of wood

7.2.1 Federal Government Wood Policy

Austria is one of the few European countries where the central government has introduced a policy giving explicit support to increased use and promotion of wood. The current Austrian Government, a coalition between the Social Democratic Party and the Austrian People's Party has laid out the following objectives in relation to wood policy:

- To support the intensified and efficient use of biomass to enhance the country's energy security, with priority being given to the additional mobilisation of wood resources.
- The development of existing and new markets wood and support the enhanced sustainability of the forest resource to help achieve the climate protection goals.
- In public tenders, greater importance is to be attached to domestic wood as a construction material.

7.2.2 Austrian Forest Dialogue

In Austria, ensuring multifunctional forest management on a long-term basis is a matter of top priority in forest, environment and social politics. In 2003, the Federal Ministry of Agriculture, Forestry, Environment, and Water Management (FMAFEW) launched an on-going governance process at the national level known as the "Austrian Forest Dialogue" (AFD). AFD is an innovative consensus-building programme designed to improve the coordination of forest-related activities. All public institutions, interest groups and nongovernmental organisations were invited to participate to develop a sustainability action plan for the country's forests.

Although essentially a political process aimed at developing strategies for long-term sustainability, the AFD has performed a crucial communication role. A key aim throughout has been to highlight the importance of forests and forestry for Austrian society so that political strategies give appropriate weight to the forest sector.

In the initial phase between 2003 and 2005, 27 meetings were held involving more than 80 institutions and organisations and extensive documentation was prepared. By the end of this process a work programme for implementation had been developed. The work programme was intended to be a "living document" subject to regular evaluation and review. The latest major evaluation was undertaken in 2010/2011. Following this, the second Forest Dialogue cycle was launched with the aim of preparing a new forest programme by the end of 2015.

7.2.3 Direct forestry subsidies

Austria negotiated a forest package for the 2007-2013 term within the framework of the EU Rural Development Regulation. Every year €25 million (from EU, Federal Government and Federal Provinces funds) is available to promote the enhancement and intensification of forest management in Austria. Altogether (including the forestry measures in protection forests), subsidies of €43 million were made available for forestry measures in 2011. Budget planning and preparation for the period 2014-2020 is now underway.

7.2.4 Green Government Procurement

Like several other European countries, Austria has developed a green public procurement policy including specific environmental criteria for wood products. Since 2010, the policy has been mandatory for the Federal Administration (Ministries and subordinate agencies) and recommended to the Provinces and municipalities.

The policy specifies that wood and wood-based materials must be procured from legal and, if possible, from sustainable forest management. The Austrian timber procurement policy differs from those of several other European countries such as Germany, the UK, and Netherlands in establishing “legal” as the minimum standard (rather than “sustainable”) and accepting a wider range of evidence. It recognises FSC and PEFC certificates and also accepts other forms of evidence to demonstrate legality.

The Austrian policy is also unusual in that it includes a "special recommendation for the use of timber" (i.e. a preference) to be applied to furniture, building construction (new buildings & renovation), and indoor equipment. It also specifies that wood is to be given preference over plastics in procurement of office materials.

7.3 Private sector initiatives

7.3.1 Joint timber marketing

A programme of joint timber marketing has been in place for nearly 50 years in Austria to strengthen the market profile of private forest owners. In recent years these activities have been intensified. One reason has been the growing demand for timber at the same time as timber harvesting in private forests has decreased. Many forest owners have lost touch with their forests and are no longer interested in timber utilisation.

Many owners of small (private) forests in Austria are organised into marketing cooperatives ('Waldwirtschaftsgemeinschaften'). At present, these organisations focus primarily on cooperation in round-wood sales, machinery alliances and collaborative forest operations. Other important services are consulting for forest owners and preparation of forest management plans. In some cases, cooperatives will manage the forests of some of their members.

The forest owner association of greatest relevance to round-wood supply is the Austrian Forest Owner Cooperative (Waldverband Österreich). Under its 8 provincial associations nearly 62,000 forest owners are organised in about 250 local forest owner cooperatives. In 2011 a total of 2.94 million m³ of timber was marketed. (www.waldverband.at)

7.3.2 Wood clusters

Austria has a long tradition of establishing regional "clusters" of small companies engaged in the same or related industries for marketing and communication purposes. The first industry clusters were formed in the 1950s and clusters in various parts of the country now serve the automobile, plastics, pharmaceutical, and creative industries, amongst many others. Building on its existing tradition of private forestry co-operatives, the wood sector has been a leading advocate of the cluster concept in Austria and the wider European market.

A number of wood clusters have been established in Austria, including in Salzburg, Lower Austria and Styria. In each case, cooperation projects and other joint activities are promoted between the various wood-industry enterprises in the region. The Salzburg wood cluster, for example, was established in 2000 and maintains a large pool of experts. Around 20,000 people are employed in 1,200 companies in the wood sector in the Salzburg region, 80% in small and medium sized enterprises (SMEs). The Salzburg wood cluster hosts around 100 events designed to educate and inform its members every year. The cluster has played a significant role to boost use of wood in construction in Salzburg in recent years, including increasing use in the hotel and restaurant industries. A special export manager has been appointed to help companies find new sales markets outside of Austria.

A wood cluster was formed in Styria, Austria's most heavily forested province, in 2001. The cluster has 130 direct partners in the province and focuses on creating a network for SMEs, boosting international sales and providing assistance to realize practical wood-using projects.

Joachim Reitbauer, general manager of the Styrian wood cluster, explains: "*Every cluster must include innovation drivers, pioneering thinkers and implementers. It should ideally cover every stage of the value creation chain. From forestry companies through the paper industry, construction companies specialising in wood and heating materials manufacturers all the way to architects and universities, the Styrian wood cluster has all aspects covered. The advantages of a cluster are clear: risk sharing and cost sharing* *through collaboration between cluster members, as well as research and development with established institutions such as academic universities and universities of applied sciences and new, specialised research and development institutions such as the Wood Innovation Centre Zeltweg*".

7.3.3 Cooperation Platform Forest-Wood-Paper (FHP)

FHP is a coordination and communication platform of Austria's forestry and timber industry including paper and pulp. It is a platform for lobbying and organizing best practice and aims at achieving the highest possible added value for wood across all industries. The joint activities are funded through the FHP cooperation contribution of all participating industries. (www.forstholzpapier.at)

7.3.4 "proHolz Austria"

"proHolz Austria" (www.proholz.at) is a working group of the Austrian forestry and timber industry. Its objective is the effective marketing of wood and wood products in the domestic market and abroad, in order to increase consumption. The activities of proHolz Austria are financed from FHP contributions. As a result this campaign is well funded and had a budget of nearly € 2.5 million in 2011.

"proHolz" uses a variety of creative marketing tools to raise awareness for wood by highlighting its potential applications. The national campaign in Austria targets the general public in order to boost the image for timber. It also targets professional users and specifiers and policy makers especially in the construction sector. On an international level it supports similar objectives through the "building with wood" campaigns of the CEI-Bois Road Map, and the "European Wood" campaigns in Japan and China (and soon to be launched in Europe). proHolz also co-ordinates wood promotion in Italy through its support for the Promo Legno campaign.

As part of its national campaign, "proHolz" undertakes the following activities:

- Quarterly magazine ("Zuschitt"): aimed at the scientific community and specfiers. It covers technical issues and trends in wood construction. In early 2012 it promoted the first seven-storey timber building in Austria.
- Technical publications
- Online information service.
- Data holz: a comprehensive specifiers guide to wood in building.
- Info holz: technical helpline for wood users and specifiers manned by wood experts.
- Advertising: runs public campaigns for wood in the national media. The latest campaign translates as "wood is awesome".
- PR campaign

7.3.5 The "Schweighhofer prize"

The "Schweighhofer prize" (www.schweighofer-prize.org) is an interesting and unique marketing initiative that started in 2003 and is presented every two years. The prize is awarded by the Schweighhofer family who have engaged in the European wood working industry for many generations. The total prize money is €300,000 split into a number of awards for outstanding performance and contribution to the European forest sector as well as innovative ideas, technologies products and services that help strengthen the competitiveness of the European forest based sector.

7.4 Conclusions

Like Switzerland, Austria is taking steps to develop an integrated approach to forest resources and other critical issues such as climate change, energy policy and building construction. The country has a large and well managed forest resource mainly in the hands of a large and active private sector. Austria invests significant resources to promote this resource and the forest products it produces, both domestically and in international export markets. There is strong Government support for the wood sector and the industry wood promotion body, ProHolz, is one of the most creative, effective, well-run and well-funded campaigns for wood in Europe. There is also a strong tradition of forest cooperatives and industry clusters in Austria which continues to provide a platform for development of innovative marketing initiatives.

8. Wood promotion in the Netherlands

8.1 Relevant background

For its size the Netherlands is an important consumer of forest products but, as it has very little productive forest resource, it has always been dependent on imports. Domestic harvesting of sawlogs and veneer logs in the Netherlands amounts to no more than around 400,000 m3 a year. Dutch production of primary and secondary wood products is limited and focused on softwood. There is only one panel manufacturer which produces insulating panels. In 2011, the roundwood equivalent (RWE) volume of imports of wood products based on saw and veneer logs amounted to 12 million m3. A significant proportion of wood product imports are distributed to neighbouring EU countries. In 2011, the Netherlands exported wood products with a RWE volume of 3.6 million m3.

Lack of a large domestic forest resource partly explains the lack of a large generic wood promotion scheme in the Netherlands comparable to “wood is essential” in France. There is also no real evidence of Government policies or initiatives that encourage increased use of wood. Instead government policy surrounding timber has focused very heavily on efforts to remove illegal wood from trade and to restrict buying to certified sustainable products. Of all European markets, the Netherlands is probably the most committed to FSC certified product. This is due to the combined effects of intense environmentalist campaigning over the last 15 years, public sector procurement policy favouring FSC, an FSC “Covenant” arrangement whereby large end-users make a formal commitment to use FSC, and the far reaching procurement policy of the Dutch Timber Trade Association VVNH. More recently, The Dutch government has worked with the wood sector through their support of the “Bewust met Hout” (“conscious with wood”) campaign which promotes legal and sustainable wood procurement.

Nevertheless there are private sector wood promotion initiatives and campaigns conducted by Centrum Hout (wood centre) a division of the VVNH and other industry associations including the VHFB (timber frame producers) and NBVT (joinery and wood working industries). These campaigns are entirely industry funded. Centrum Hout used to receive support from the Dutch Government but this stopped some years ago and the organisation went through a significant “down-sizing” and was absorbed into the VVNH.

Moves to develop "green building" in the Netherlands have been slow to develop. Unlike in the UK and Germany, there has been little government intervention. Instead, the private sector has led the way with the formation of the Dutch Green Building Council (DGBC) in 2008 as a voluntary market initiative which draws heavily on the BREEAM building rating system developed for the UK.

8.2 Government policy measures to promote use of wood

8.2.1 National guideline for the assessment of certified wood products

In 2002 the Dutch Government set up a guideline for the assessment of certified wood products based on the Dutch standards for sustainable forest management. The original idea was that wood products brought on to the Dutch market that fulfill the standard could be provided with a special mark. However this idea was rejected in 2005 after the stakeholders failed to agree on an appropriate standard and organizational structure for the scheme.

Since then the Dutch government, through the Ministry of Housing, Spatial Planning and Environment (VROM) have focused on developing criteria and procedures for “green” public procurement of timber. Since May 2008, a Timber Procurement Assessment System (TPAS) has been in operation. A Timber Procurement Assessment Committee is responsible for assessment of certification systems according to TPAS. From 2010, it became mandatory for all timber procured by central government to come from a certification system capable of demonstrating “sustainability” as assessed by TPAC. If “sustainable timber” is not available, timber from a “legal source” is accepted . Municipalities and provinces are aiming respectively at 75% and 50% of their purchases being sustainably produced.

To support public buyers, VROM has established a campaign under the name: “timber: growing towards 100% green procurement”. The campaign consists of a website (www.inkoopduurzaamhout.nl), a hotline, brochures with model documents and training courses about timber procurement.

8.3 Private sector initiatives

8.3.1 Centrum Hout

Centrum Hout (CH) has been around in one form or another since the 1950’s and continues to play an important role in educating and informing architects and engineers about designing with sustainable wood. CH operates a technical helpline for architects together with a website and technical publications. CH run an active PR campaign for wood not only through their associated magazine “Het Hout Blad” but also with other construction, design and architectural media. These events all help to generate strong publicity and awareness for CH activities and use of wood in the Dutch market. CH also runs a number of annual marketing activities to promote wood to specifers:

- “Hout Dag” (“Wood Day”) is a conference with a small trade exhibition aimed at Dutch architects and engineers. The event is organized jointly by CH with VVNH and the magazine “Het Hout Blad”. Each year the conference attracts 300-400 architects. Speakers include well-known architects who use wood in their projects. In recent years speakers have included, Shigeru Ban, Hopkins architects, Arup, and Alex de Rijke (DrMM architects). The event also provides an opportunity for architects to meet the wood industry. As VVNH members will testify it has over the years helped them to sell more wood.

- Wood Prize is an excellence in wood awards for professional architects that celebrate new and innovative design in timber. Two awards are given, one for best use of wood in architecture, and the other for innovative use of timber. This is a well-supported event that has done much to promote wood design amongst the architectural community. In 2012, there were 77 project entries and the winners will be announced at “Hout Dag” on the 28 November 2012.

- Wood Challenge is an annual competition for students. It aims to raise the profile for wood amongst Dutch architectural schools and colleges and give an opportunity for emerging talent to shine. Students submit their designs and ideas to a panel of professional judges. The winning student receives €1,000 and a trophy, which is also presented during "Hout Dag".

8.3.2 VVNH

The Dutch Timber Trade Association VVNH represents the interests of the timber trade in the Netherlands. Members comprise wood agents, importers wholesalers and distributors. The VVNH also supports European timber trade associations such as ETTF, FEBO, and CEI-Bois. The main function of VVNH is to represent the economic and social interests of its member companies and provide them with a united voice to lobby Government and regional policy makers. VVNH is very active in the whole issue of sustainable and legal timber.

The VVNH does no wood promotion directly. Instead marketing programmes are delivered by Centrum Hout with financial and strategic input from the VVNH. These two organisations always worked closely together in the past and shared the same building. But, back in 2005, Government support for the wood centre stopped and much of its research and promotion activity was curtailed. The VVNH stepped in and took it over.

Centrum Hout still operates but on a much smaller scale than in the past and with a lot less funding. The "in house" magazine "Het Hout Blad", a key part of Centrum Hout, was sold on license to a publishing group. The magazine is now produced monthly and widely distributed to Dutch architects and specifiers. It provides a strong voice for the timber sector and has been very successful in communicating the potential of wood and key messages about its environmental credentials to specifers and the building sector.

8.3.3 "Bewust met Hout" ("Conscious with wood")

"Conscious with wood" is an initiative of VVNH and the Dutch Association of Timber Manufacturers (NBVT). Both organizations are working closely together to stimulate demand for more use of sustainable wood in the Netherlands. The action plan sets targets for the import and trade of certified sustainably produced timber by VVNH and NBVT members. By 2015 50% of the hardwood, 85% of sheet material and 100% of softwood imported into the in the Netherlands should be from certified sustainably managed forests. More information is available at www.bewustmethout.nl .

The 'Conscious with Wood' initiative has also co-operated with Dutch government agencies to produce a brochure which aims to provide public specifiers with practical guidelines for purchasing sustainable wood. This was produced in association with the Dutch Ministry of Infrastructure and Environment, the Dutch Association of Provincial Authorities (IPO), and the Association of Dutch Municipalities.

8.4 Conclusions

Overall, the current situation for wood promotion in the Netherlands is not encouraging. The country lacks a large domestic wood resource and strong wood culture. This has contributed to an environment in which the first response to wood use by policy makers and the general public, under the influence of powerful environmental groups, is one of suspicion. As a result the private sector has had to divert considerable resources to overcoming prejudices against the use of wood and to raising the profile of forest certification systems. The Centrum Hout initiative has played an important role to promote the more positive aspects of wood to key target audiences in the Netherlands, but lack of funding remains a significant concern. The recent emergence of a green building initiative in the Netherlands, based heavily on the UK BREEAM system, might offer new opportunities for wood products, but significant new investment will be required to deliver credible LCA data and to produce EPDs for a wide range of wood products.

9. Wood promotion in Belgium

9.1 Relevant background

Belgian forest area represents 690 000 ha (ie 22% of the land area). 80% of the forest resource is located in the Walloon (French speaking) region. Hardwoods (oak, beech plus ash, maple and walnut) represent 52% of the resource. 53% of the forest area is privately owned against 47% of public ownership. Privately owned forests are very fragmented with some 100 000 forest owners – the average size of a forest plot is 3 hectares, well below the EU average of 13 hectares. Standing volumes represent 110 million m3 with an average of 194m3 of hardwoods and 255 m3 of softwoods per hectare. Every year some 4 million m3 of wood is harvested, of which 75% is used as building material. This annual harvest represents 96% of its increase in standing volume. More widely the wood industry in the Walloon region represents some 3,600 companies with a total of 13500 employees.

While the forest is mainly in the Walloon region, most of Belgium's wood importers and wood working industry is concentrated in Flanders where the main maritime gateways are situated. Belgian importers are also very active on the French market gaining market share every year. They both import French hardwoods for their domestic market but also for other European markets such as the UK and Germany.

There are no national wood promotion campaigns in Belgium on the scale of several other European countries, such as France and Switzerland. This is partly because wood use and good forest resource management are not seen as significant issues in the country. Wood framed housing represents only 13% of the Belgian housing market. At the same time, Belgian forest resources are generally viewed as well managed and abundant. National policy to reduce carbon emissions, an important emerging driver for wood demand in some other European countries, is also relatively undeveloped in Belgium. For example, there has been little progress to develop certification programmes for energy-efficient and carbon neutral new building, nor to implement refurbishment programmes to improve energy-efficiency of existing buildings.

Promotional activities for wood in Belgium were formerly led by the Belgian Wood Forum. This role may soon be taken on by a new campaign just launched in the Walloon region with significant potential to raise the profile of wood in the market. There is also an up and coming and dynamic private sector organization promoting wood called "Bois & Habitat"'.

9.2 Government policy measures to promote use of wood

9.2.1 Office Economique Wallon du Bois (OEWB)

The Office of Economic Wallon Wood is a subsidiary of the Economic Promotion Agency (ESA) and is a relatively new, but clearly significant, public sector initiative led by the Government of the Walloon region of Belgium and set up in collaboration with industry. After a number of years in the planning, the OEWB office finally opened in 2010. Since then, it has taken time to set up the administrative structure, take on staff and secure an operating grant. It was not until the beginning of 2012 that the OEWB finally became fully operational.

The board of the OEWB is comprised of representatives from Industry companies and federations, labour organisations, Union to Towns and Municipalities, Department of Nature & Forests (SPW), Natural Resources Development Association, The Economic Promotion agency, an the Walloon Government.

The Walloon Government has set a number of objectives for the OEWB to address including:

- Coordinate economic development policy in the wood sector
- Gather market intelligence to help formulate strategy
- Provide advice and recommendation to Walloon Government on economic development within the wood sector
- Structuring of public sector forestry and timber sales and encouraging private sector investment.
- Responsibility to implement relevant European programmes related to this activity
- Boosting value of forest resources including creation of a "support unit for small private forests"

There is not much information at this stage on exactly how these objectives will be realized and how the programme will be evaluated. It is also not clear just what the annual funding is for the OEWB.

9.3 Private sector initiatives

9.3.1 Belgian Wood Forum

Until recently, the Belgium Wood Forum (BWF) was the principal organisation responsible for generic wood marketing in Belgium. It has been active for many years running a strong PR campaign aimed at professional specifiers and the general public. It has an online information centre at its website (www.woodforum.be) operating technical helplines, and putting on seminars and workshops. The Wood Forum also published a regular magazine "Le Courrier du Bois". However a few years ago the organization ran into difficulties over a tax compliance issue that seriously affected its budget. As a result the magazine has closed and, although the website is still on line, to all intents and purposes the campaign has stopped. This is an unfortunate development because the BWF had been very successful in raising the profile for wood and especially in providing technical information and support to encourage more Belgian architects to use wood. The BWF had also made major contributions to European promotion initiatives over the years, in particular to the CEI-Bois road map project.

9.3.2 Archibois (Bois & Habitat)

Archibois is a wood industry organization based in the French speaking Walloon region of Belgium and their role is promote wood construction. They organise the annual trade show of the same name focused on timber-framed construction which takes place in March every year at Namur in Belgium. The show takes place in and attracts around 45,000 visitors of which 13% come over the border from France. The show attracts home buyers considering timber frame construction. This market is more developed in Belgium than in France and represents currently 13% of the housing market. The show brings together 180 exhibitors in a venue of 12000m2 and, although a large part of the show is dedicated to timber-framed homes, there are also sections dedicated to interior fittings and furniture design. According to Archibois, 10 years ago only 5-8% of new construction in the Walloon region was wood and timber frame and this has now risen to 15-20%.

Bois & Habitat organize on the last day of the show a half-day conference event which brings together industry players. Bois & Habitat are also involved in an EU-funded cross-border cooperation programme called Eurowood with the Northern French regions to promote wood use and timber framed construction : http://www.euro-wood.org/index.jsp

9.3.3 Wood 2 Build

The tradeshow organisers "Artexis" have announced that they want to launch in the same venue in NamurExpo an international professional trade show dedicated to professionals in timber construction between June 5th-7th 2013. According to the organisers, a number of firms both in Belgium and abroad have already expressed their interest to exhibit.

9.3.4 Other associations

There are a number of Belgian trade organisations active in the wood sector:

UNEBO (National Union of Wood Enterprises) was formed in 2009 by merging the interests of forestry owners and loggers and timber traders. It has over 250 members and runs a trade portal from its website. Apparently it was a major contributor to the Belgian Wood Forum campaign but does not appear to be involved in any of its' own generic promotion of forest products

Fedustria represents the companies of the woodworking and furniture industry, defends their interests and encourages their development. This very diversified sector regroups manufacturers of furniture, chairs, panels, building components (roof trusses, joinery, parquets...), boxes and pallets, frames and moulding, brushes, paintbrushes... in short, all kinds of wooden finished and semi-finished goods. Fedustria's president recently made several proposals to make the wood and furniture industries more competitive: he considers that social contributions made by both the employer and the employee are too high – the net wage packet only represents about a third of real costs for the employer. He approves Government measures to freeze energy prices but asks for this measure to be more fully applied and extended, for instance on transport costs.

HSOB is a fairly new trade organisation that represents timber framed home builders in Belgium. HSOB has a website with some general information and there are lists of companies and a photo library of projects. Otherwise there is not much evidence of a serious promotional programme at this stage.

Fédération Nationale des Négociants en Bois (FNN) is the Belgian Timber Trade Federation which represents around 200 wood importers, wholesalers and distributors. The operations of the organisation focus on education, protection and technical development for its members.

9.4 Conclusions

The recent difficulties of the Belgian Wood Forum have left a gaping hole in wood promotion in the country. As things stand, there is neither a government policy initiative nor an organised private sector campaign with real potential to raise the profile of wood products in Belgium. Much now hinges on the ability of the Walloon region OEWB to fill the vacuum.

10. Closing remarks

10.1 Opportunities to increase wood use in Europe

Promotion is only one of the key ingredients to successfully market a product or material. Often it can be the vital element of the communication process that helps tip the balance and provide greater awareness. But there are other factors that need to be considered for that promotion to be successful. Great public relations and branding can be easily wasted if industry is not ready to deliver the products and respond quickly. Also promotion is all about timing, the conditions need to be right for the messages to be most effective.

Overall this report highlights an under-funded, patchy approach to generic wood promotion in Europe. But it also shows that wood promotion is happening and that there is energy and a determination within industry to make a difference. There are now a number of factors working in favour of greater wood use. These factors are also an indication that past promotion efforts, however imperfect, have had an impact. These influencing factors include:

- There is a strong change in attitude to wood's performance especially from architects and engineers. A lot has happened in the last few years to open their eyes to new ways in which wood can contribute to building design. Designing and engineering in timber is no longer just the preserve of a few dedicated professionals. An increasing number of architects see wood as part of the solution for delivering cost effective sustainable design. And importantly, they are telling others, through publicising their projects and in media debates. European architectural and design magazines and online forums now feature numerous projects using wood, very different from 10 or 15 years ago when high profile wood use was rare.

- There are changing attitudes to wood's environmental credentials. It has been a long hard struggle to alter public perception of the forest products sector, which was so badly damaged by concerns surrounding tropical deforestation. But now new and more positive messages are being heard and the media are generally becoming more objective. Growing concerns over climate change have given wood a chance to show another more positive side to its character, including its role in carbon sequestration and low carbon-intensity associated with its extraction, processing and distribution.

- Another side effect of climate change concern is a strong political will that is driving demand for "green and sustainable" construction. This could provide the biggest opportunity for greater use of wood in building in the long term. Wood is a renewable and sustainable material that can provide long-term solutions.

- Initiatives in several countries - notably France and Germany - to encourage energy-efficient refurbishment should indirectly benefit a low-carbon product with good insulation properties like wood.

- New national carbon accounting procedures recognising carbon storage in Harvested Wood Products has potential to provide another direct incentive to

European governments to encourage the use of wood, particularly from domestic forests.

- In recent years there have been significant technological advances in wood construction products and techniques. For example, cross-laminated panels have allowed timber frame construction of high-rise buildings.

- Europe needs more low cost housing and wood is proving a viable solution to this problem. Whole towns are springing up using timber frame construction because they are cheap and quick to build. But there is also growing public opinion that says they look and feel good too.

- Implementation of the Construction Products Regulation is an opportunity to harmonise technical and environmental standards and communication frameworks for wood products used in construction across the EU. This will help reduce communication risks and legal liabilities associated with inappropriate application, poor installation and treatment of wood products. It may also facilitate easier use of wood products by architects and specifiers.

- Opportunity not only lies with wood construction. There is huge growth potential for interior use of wood. Wood is fashionable right now; its look, feel and colour appeals and this must be capitalised upon. Wood has a “feel good” factor that needs to be explored more fully, together with the argument that wood can add value to a building or product. Wood industries need to continue exploiting the argument that wood has health and well-being benefits.

- Despite the apparent gaps, wood marketing and promotion over the last ten years has improved enormously and has been much more effective and focused, especially to specifiers. Innovative promotional activities such as design-led marketing, regional industry clusters, and wider use of social media have emerged. There is greater focus on target-oriented approaches supported by regular evaluation.

- Efforts are being made to improve cohesion of wood promotion at EU level, notably by the CEI Bois Road Map and more recently by “European Wood” and the European Timber Trade Federation. The emergence of new opportunities and threats at EU level - for example through climate change policy, illegal logging issues, life cycle assessment and the construction products regulation - is increasing the incentive for more co-operative action by trade associations and other interests.

- The European Forest Institute's ThinkForest forum seems to provide potential to improve the level of co-ordination, priority, and relevance of forest products research in the EU. The forum should provide a high-level and high-profile Brussels-based discussion and information sharing forum for leading EU policy makers and forest-related scientists.

- Potentially one of the most exciting positive factors for wood is the growing demand for LCA based EPD’s, which will allow for a fairer comparison of the environmental impact of products and materials. Wood performs well in LCA.

- In some countries – such as Switzerland and Austria - there are even signs of an integrated policy environment emerging which favours increased wood use in response to a systematic assessment of potential benefits to the nation's forests, economy, infra-structure and efforts to mitigate climate change.

10.2 Potential barriers to increased wood use in Europe

As well as the positive factors there are also market issues that make it difficult for wood promotion to work effectively. And, they may present barriers to the increased use of wood in Europe. These include:

- There is a lack of funding for marketing and promotion, especially in the private sector. Financial resources are limited and spread very thinly over a very fragmented range of industries.

- The decline in the level of funding for public sector R&D is having a disproportionate impact on the forest products sector compared to other materials supplying sectors due to the comparatively high level of fragmentation and low capacity for research and innovation in the private timber products sector.

- There is a lack of cohesion amongst wood promotion organisations, and a lack of trust between groups that inhibits them from pooling resources and finding ways to work more closely together in a unified way.

- Despite strong political rhetoric in favour of wood there are very few public sector directives or policies in place either at national or European level that actually enforce increased use of forest products. On the contrary, some public sector procurement policies focus exclusively on restricting purchases of wood suspected to be of illegal or unsustainable origin. Requirements for responsible sourcing imposed on timber products are rarely matched by equivalent sourcing requirements imposed on non-wood (typically non-renewable) materials.

- There has been little or no active promotion either by the European Commssion or the private sector of the positive implications of measures to remove illegal wood from trade, such as the EUTR or FLEGT VPA. Much publicity surrounding these initiatives has focused on negative factors, such as the scale of international trade in illegal wood, the technical challenges of implementation, and the potential for trade barriers. There has been minimal focus on the final outcome of these initiatives which will be to demonstrate that 100% of all wood entering the EU is from sources where there is little or no risk of illegal harvest.

- Competing materials and product industries are less fragmented, better financed and organised for delivering generic marketing messages and lobbying for policy change. Strong single voices are proven to be more effective. Examples include "Plastics Europe", "European Brick Council", and the "World Steel Council".

- There is resistance to wood solutions by the large European construction industries that are oriented more towards steel and concrete construction. Why should they change without incentives?

- Misinformed fear of increased fire risk and lack of structural strength and durability associated with wood construction, often exploited by competing materials to dampen enthusiasm for wood construction both within the construction industry and amongst the general public.

- Focus on wood fibre for bio fuels can restrict supply of raw material to added value building products industries.

- Lastly there is still a lack of wood education at all levels in society, whether it is education for architects or education in schools. Professionals, politicians, consumers and the general public lack the necessary education and facts about forests and forest products, to make informed choices.