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Accounting for carbon storage in harvested wood products: why bother?

UNECE/FAO (Food and Agriculture Organization of the United Nations) together with the Johann Heinrich von Thünen-Institute and the Swiss Federal Office for the Environment is organising a side event on Harvested Wood Products on 6 December 2008 at the fourteenth session of the Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Poznan, Poland.



This side event aims at providing a basis for a policy discussion on a possible recognition of carbon storage in harvested wood products (HWPs) in a post-Kyoto regime: is accounting for HWPs worthwhile, and at which cost?

Accounting for carbon stored in HWPs could create incentives for harvesting wood and its use in place of less climate-friendly materials. However, the volumes involved are small compared to those stored in forests, and non-permanent, and HWP accounting raises many issues of equity and leakage.

No consensus has been reached so far, but policymakers must decide before the United Nations Climate Change Conference in Copenhagen, 2009, whether to include HWP accounting in the second commitment period, and, if so, how.

The discussion during the side event should focus on the following questions:

- What are the objectives of HWP accounting?
- Should accounting for HWP be included in a post-2012 climate change regime?
- Is so, under which conditions?
- Which accounting approach would be the most appropriate?
- How can meeting the objectives of the climate change convention be assured, along with sustainability?

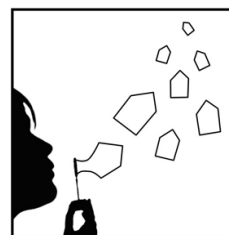
The Timber Section is at present developing a programme on forest, wood and climate change, drawing on all its various activities. ✪

For more information contact Kit Prins (info.timber@unece.org).

The real estate and financial crisis: causes, effects and impacts on development

Seminar organized by the UNECE Secretariat and Real Estate Market Advisory Group (REM), with the support of the International Real Estate Federation (FIABCI)

United Nations Headquarters, New York, 16 December 2008



The overriding message of the seminar is that the real estate sector, if well regulated and based on a transparent real estate and financial market could be a driving force for development, producing social, economic and environmental benefits to member States. It could indeed drive a recovery towards more sustainable economic systems and stronger and healthier production and consumption patterns in emerging markets.

The financial crisis is having repercussions on economies throughout the world and is likely to be the most severe global crisis since the Great Depression of the 1930s. As it is becoming a global challenge, the United Nations through a number of different initiatives is trying to understand its root causes, as well as the effects and impacts of the crisis on development. In addition to providing advice on addressing the current crisis, there is a need to discuss institutional changes and ways to operate that will help world markets to avoid similar shocks in the future and make the real estate sector more stable and sustainable.

The financial crisis was generated by turmoil in the real estate market and triggered initially by the sub-prime mortgage crisis in the United States, hence this sector needs special attention. Every developed country's economy is underpinned by their real estate and property market, thus addressing this specific issue would assist the recovery towards more sustainable economic systems.

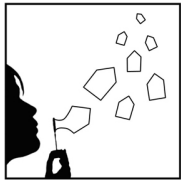
Panel discussion

The overall purpose of this panel discussion is to initiate dialogue within the United Nations, not only on the financial aspects of the current crisis but also on the real estate market as a sector. There is an obvious need for improved regulation of both the real estate and financial markets, and for greater collaboration between private sector advisory professionals and public sector regulators turned rescuers.

With Governments seeking long-term paybacks of bail-out funding and thus taking more embedded and deep-rooted positions in distressed real estate markets, the success of effective public-private partnerships will underlie work-out strategies in many markets. In this context, the discussion will identify a need for organizations such as the United Nations to provide better advice to Governments regarding regulatory practices in the real estate sector.



Not an official record - For information only



Real estate and financial crisis continued

Governments, representatives of UN agencies and regional commissions, non-governmental organizations and the private sector will have an opportunity to discuss:

- The existing and possible roles for the United Nations to provide a forum for addressing additional financial and real estate issues and advising countries on the matter, including existing good practices;
- The need for targeted responses that governments could develop to limit the damage of the current financial crisis and re-establish a healthy real estate market, including the development of post-crisis policy guidelines for both the real estate and financial sectors that will promote stability and sustainability;
- The characteristics that a new real estate market and credit system should have, including collaborative standard setting for increased informational transparency, limitations on the use of complex financial tools, better capital risk allocation models, and policies and actions to sustain investors' confidence and increase citizens' trust;

The seminar will in addition discuss the need for more comprehensive policies and action in the housing and land management sector to be developed at the regional and global levels. Policies and action should be directed towards a healthier real estate market, but also look at the possible complementarities between increasing the financial stability of the real estate sector with attempts to also make this market more environmentally sustainable and more socially responsive to the need to provide adequate housing for all. ✱

For more information contact Paola Deda (paola.deda@unece.org).

Speakers

Opening remarks:

Asha-Rose Migiro, UN Deputy Secretary-General

Moderator:

Ken Brown, Editor, Money and Investing, The Wall Street Journal

Panellists:

- Maged A. Abdelaziz, Permanent Representative of the Arab Republic of Egypt to the United Nations, and Co-Facilitator of the General Assembly preparatory process for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus
- Paolo Garonna, Officer-in-Charge, UNECE
- Jomo Kwame Sundaram, UN Assistant Secretary-General for Economic Development, DESA (*to be confirmed*)
- Steve Williams, visiting lecturer at Duke University and author of the book *Facing the Global Challenge*
- Daniel Gross, Director of the Center for European Policy Studies
- Luis Fernando Correa-Bahamon, World President, FIABCI
- Andreas Zehnder, Managing Director, European Federation of Building Societies, and President of the Association of Private Bausparkassen
- Peter Creuzer, Chair of the UNECE Working Party on Land Administration

Facts and Figures

Foreign Direct Investment inflows in the emerging UNECE economies are slowing down

Foreign direct investment (FDI) inflows continue to be the main form of external financing for many emerging UNECE economies. Over the last decade they covered most of the current account deficit, which in some of these countries fluctuated between 10% and 30% of GDP.

However, the current global financial turmoil is slowing down the FDI inflows to many UNECE economies. The most dramatic drop (in relative terms) has been recorded in Slovakia, where the FDI inflows associated with the automotive industry – Slovakia's key driver of economic growth over the last several years – dried up by 2007. A few other UNECE countries also experienced FDI declines that could be partly related to the automotive sector, albeit to a much lesser degree (Poland, Czech Republic, Hungary, and Turkey). FDI flows into the financial and real estate sectors of these countries also suffered. By contrast, the inward FDI was relatively strong in the first half of 2008 in some countries of South-East Europe and the CIS region, in the latter mainly related to the energy sector and extractive industries. But with recession looming over major western investors the FDI flows in this region will most likely slow down too in the next few years. ✱

Source: UNECE Statistical database <http://www.unece.org/stats/data/> and national central banks.

Note: Inflow of FDI into reporting country relative to GDP in current prices.

