



European Bank
for Reconstruction and Development

Bucharest Office

Mr. Cristian Grecu
President
Direct Civic Action
Str. Papiu Ilarian nr. 6
Bucuresti 031693

26 February 2008

Dear Mr. Grecu,

Thank you for your letter of 15 February regarding the event organized in Sinaia by Austroprojekt Agency for Technical Cooperation, Ltd, the Austrian institute.

The EBRD has a strong interest in promoting environmentally sustainable projects throughout its countries of operations and, as part of its mandate, attaches a great deal of attention to the issue of environmental protection.

Also, the Bank recognises the high ecological value of forests in the context of conservation of biological diversity, protecting watercourses and water quality as well as absorbing carbon dioxide to mitigate climate change.

The EBRD believes the primary objective of forestry and forest use planning should be ensuring that forests are able to provide these core ecological functions. The secondary objective of a well functioning forestry is to optimise the economic value of forests by balancing the use of forests for multiple economic activities, such as providing raw material to forest industry and energy generation, hunting, ecotourism as well as providing socio-economic benefits to people as a source of firewood, mushrooms and berries as well as a place for recreation and sanctuary.

Furthermore, the EBRD is firmly of the opinion that any economic activity utilising the potential of forests must be based on sustainable forest management principles and practices, ensuring that appropriate forest areas be protected and harvesting and logging are conducted in compliance with laws and regulations.

Hereafter are answers to the requests made in your letter.

1. The workshop was entitled "Harmonisation of timber flow for a sustainable development of forest sector and timber industries in Romania". It was organised by Austroprojekt, the company assigned by the Romanian Ministry of Agriculture to undertake the study "Forestry and Forest Industry in Romania". This study is being financed by technical cooperation funds provided to the EBRD by the Austrian Government.

2. The “Forestry and Forest Industry in Romania” study is being conducted with the aim of promoting **viable** investments in forestry and forest industries in Romania. The study addresses wood supply and associated issues, identifying options for industry expansion and improvements in forest management, harvesting, transportation, trading and so forth. It takes into account both the economic and social benefits and environmental sustainability. Another aim is to identify barriers to investments in forestry and the forest industry sector which are a result of administrative, legal, or regulatory problems and which affect the supply and accessibility of wood raw material.

3. The EBRD referents are:

Mr. Mikko Venermo – Senior Environmental Adviser – based in London
Mrs. Ioana Gheorghide – Principal Banker – based in Bucharest

4. Enclosed for your information is the list of participants at the event.

In addition to these, you may wish to know that we have asked the Austrian institute to liaise with you and the Academy of Agriculture Sciences and Forestry.

We hope that you and other relevant stakeholders, including the Academy of Agriculture Sciences and Forestry will take this offer and will present their views to Austroprojek and thus contribute to the study.

Yours sincerely,



Claudia Pendred
Director, Romania