



Economic and policy challenges for wood energy in Central and Eastern Europe

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Major routes for use of wood for energy generation

- Use of abandoned farmland for wood production
- Use of waste from wood processing (sawing/pulp production)
- Roundwood, chips and pellets for small (individual or local) power stations
- Pyrolysis of wood
- Hydrolysis of wood



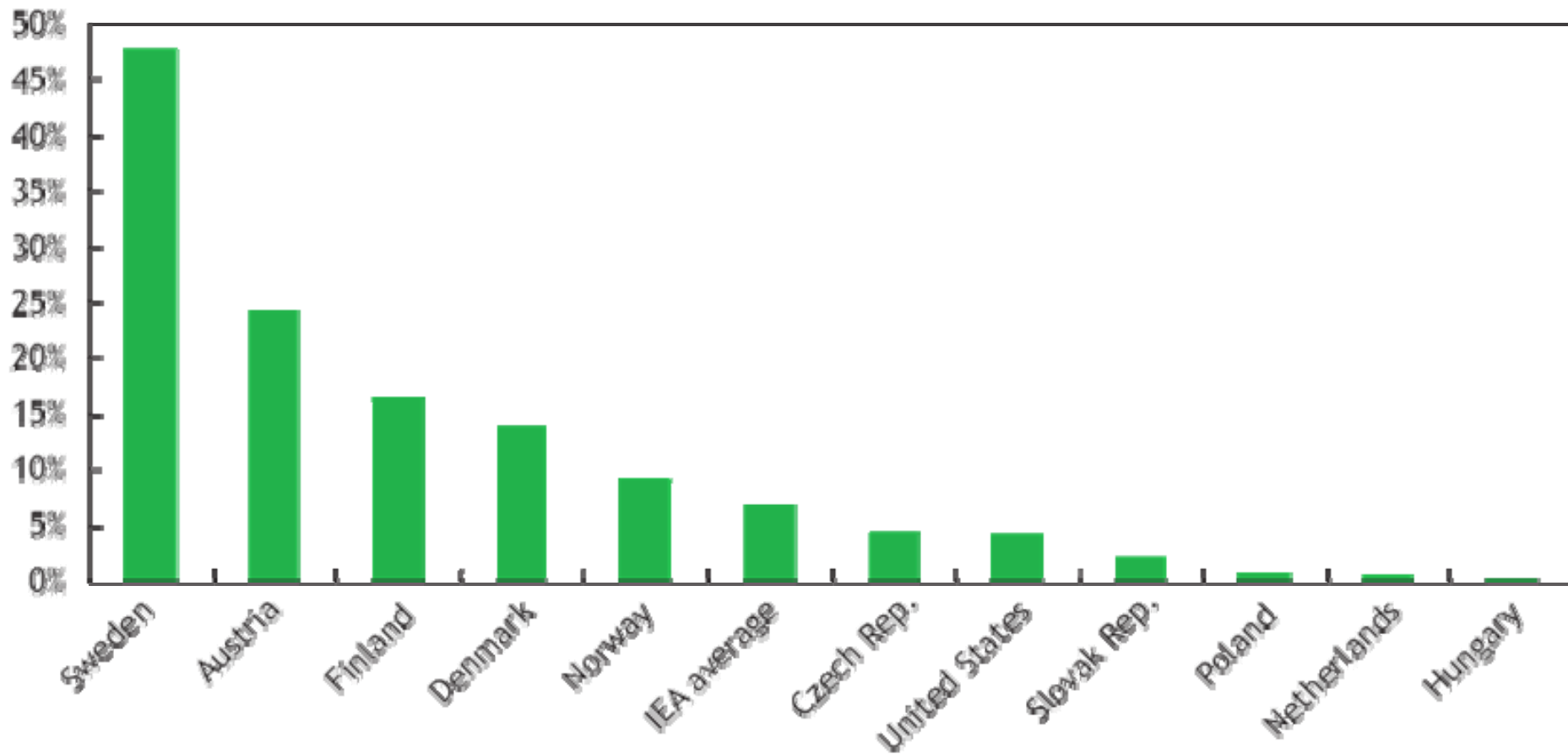
Comparative advantages of wood energy

- Decentralization of transport, supply and demand (vs oil/gas), higher security
- Relative independence from weather conditions (vs crops)
- Extensive production method with minimal environmental impacts (vs crops)
- Good energy balance
- Versatility



SEARCH

Solid biomass share in large scale heat production of leading countries



Sources: IEA, 2007a.



FAO/UNECE activities on bioenergy

- FAO Program on Wood Energy
- International Bioenergy Platform
- Joint Wood Energy Enquiry
- Mobilizing Wood Resources, January 2007, Geneva
- Opportunities and Impacts of Bioenergy Policies and Targets on the Forest and Other Sectors, October 2007, Geneva
- International Seminar on Energy and the Forest Products Industry, October 2006, Rome
- FAO Conference: High-level Special Event on Forests and Energy, 20 November 2007, Rome





Wood energy in Eastern Europe

- Strong wood burning culture in many countries – to be cherished and developed
- Significant wood resources (private forestry), requiring sustainable management
- Economic potentials from innovative heating systems
- Nevertheless: oil and natural gas are displacing wood - reverse to policies in Western Europe

What is the right solution for Eastern Europe?





Market challenges of wood energy

- High transportation costs
- Small-scale ownership in private forestry
- Declining wood availability and increasing price of wood for all wood users
- Potentials for forest owners to increase harvest
- Unsustainable harvesting and use of wood fuels might increase as well
- Potential for the use of wood residues by wood industry



Policy threats and opportunities of wood energy

- Increased production of wood for energy requires appropriate management also through policies and legislation
- Over- or underestimation of the role of wood energy within renewable energy targets
- Mobilization of wood requires supportive laws, regulation and policies (considering other wood users)
- Improvement of energy security through decentralization of wood





Economic and policy challenges

- Holistic approach towards wood energy policies, combining sustainable forest management concepts and poverty reduction strategies
- Know-how transfer and capacity building in the use of sustainable, efficient and healthy wood energy systems
- Assessment, monitoring and reporting on forest- and wood- energy related information, in particular wood fuel harvesting and consumption



Economic and policy challenges

- develop and implement policies which make use of the opportunities forests offer for energy generation, avoiding undue market distortions
- consider trade-offs between the different land-use options, when embarking on large-scale wood production
- develop institutional synergies integrating
 - energy, agriculture, forest and land use policies
 - wood industry and wood energy users



Options for synergies

- Improve data for current and potential contribution of wood energy to overall energy needs
- Common efforts to update/improve national and regional strategies for developing alternative energy sources
- Identify how wood can best contribute to meeting energy needs
- Working together to benefit from the different expertise/knowledge unique to the various international organizations





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