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7 - 10 October 2003

POLICY FORUM: FORESTS, WOOD AND ENERGY

(Item 2 of the provisional agenda)

Note by the secretariat

In view of the importance of wood energy and the interactions between forest policy and energy policy, a forum will be held on Tuesday, 7 October 2003. Delegations are invited to include in their market statements information on any recent policy measures or issues relevant to wood energy policy.

INTRODUCTION

1. Energy was the first use of wood and is still the most important in volume terms, even in Europe (see European Timber Trends and Prospects: into the 21st Century (ETTS V, chapter 9). The question of wood energy and the interactions between forest policy and energy policy has always been important, although sometimes neglected, but has recently been the subject of more intense and urgent scrutiny in policy making circles. The main reasons for this are:

- There are now international wood energy markets and trade flows which should be monitored by the Timber Committee alongside other markets.
- Most long-term energy strategies promote the use of renewable energies, notably biomass, which in many cases refers essentially to woody biomass. The long-term consequences of these strategies for the forest/timber sector have not been fully explored.
- Alongside the traditional wood energy uses, including modern variations such as pellets, there are proposals for radical developments, such as large scale wood based liquid fuel production, CHP (combined heat and power) plants based on wood, energy plantations over large areas etc., all of which would transform patterns of wood supply and consumption.
- Concern has been expressed by traditional pulpwood using industries about future availability and price of their raw material, if certain wood energy policy objectives are pursued. Conversely, forest owners would be expected to welcome the appearance of a significant new market for their products.

PREVIOUS TIMBER COMMITTEE WORK

2. The Timber Committee has already been active in the wood energy area:

- Wood energy production and trade are regularly monitored (although the quality of the statistical base leaves much to be desired). A particularly lively discussion took place at the Timber Committee market discussion in 2002.
- The European Forest Sector Outlook Study (EFSOS) will examine the outlook for wood energy and has explored the interaction between energy policy and forest sector outlook
- There have been two teams of specialists which have analysed the issues and improved the knowledge base.

ORGANISATION OF THE POLICY FORUM

3. In view of the importance and topicality of the issues, and the potential for cross-sectoral synergies with other ECE bodies, notably the Committee on Sustainable Energy and the Committee on Trade Industry and Enterprise Development, the Bureau decided that the special topic at the Committee's sixty-first session should be forests, wood and energy, approached in a cross-sectoral and policy focused way. This policy forum should be linked to the regular market discussions which will be the market effects of wood energy policies.

4. A discussion will be held based on presentations by invited speakers from the forest and energy sectors, chosen to express diverging opinions. The secretariat is contacting potential speakers and a final

programme will be issued before the session. A rough outline is presented in the annex, although modifications are possible in the light of events.

CONTRIBUTION EXPECTED BY DELEGATIONS

5. It is not intended to request formal national statements on wood energy policy, but countries will be invited in their market statements to report on any recent policy measures or issues relevant to wood energy policy. It would be useful if countries would provide information on:

- Energy policy measures or strategies/plans which could influence the forest/timber sector, e.g. plans for promoting renewable energies
- Present status of wood energy supply and use, and relevant policy measures
- Topical issues, and outlook

6. Countries are invited to include in their delegation experts in these issues, particularly those in a position to bring together energy policy and forest sector policy in a cross-sectoral way. After the session, the presentations will be published as a discussion paper, together with a short account of discussions.

7. *Delegations are invited to provide the information requested and to participate actively in the discussions.*

Annex

Proposed timetable for the Policy forum: forests, wood and energy (agenda item 2) and the wood energy part of the market discussions (agenda item 3)

Tuesday 7 October

10.30 Opening

A. Policies and their interactions

- 10.40: Trends in policies for renewable energies (by a representative of ECE Committee on Sustainable Energy)
- 11.00 Long term consequences for the forest/timber sector of energy policy developments, based on analysis in the European Forest Sector Outlook Study (EFSOS)
- 11.20 Climate change policies and their impact on the forest sector
- 11.40 EU Directive on Sustainable Energy
- 12.00 Wood energy, global perspective
- 12.20 –13.00 Discussion

B. Trade and markets for wood energy

- 15.00 Recent trends in international wood fuel markets (Hillring, Sweden)
- 15.30 Case study: export of biomass from Russia in the context of climate change policies (Jansen, ECE)
- 15.40 Stakeholder perspectives (e.g. pulp/panel industries, forest owners)
- 16.00- 16.30 Discussion

Start of remainder of market discussion 16.30 hrs.