

Distinguished delegates, ladies and gentlemen, dear colleagues,

I am pleased to be able to address you again – after one year - on behalf of the UNECE Timber Section, to inform you about our activities and about current and potential cooperation between the Timber Committee and the Committee on Sustainable Energy.

Since last year, the necessity to invest in a more sustainable energy future has been increasingly acknowledged. The IPCC noted in its 4th assessment report – released a few weeks ago and not long after the IPCC; together with Al Gore, was awarded the Nobel Peace Prize - that “there is *high agreement* and *much evidence* that with current climate change mitigation policies and related sustainable development practices, global GHG emissions will continue to grow over the next few decades.” The use of renewable energy sources, such as the use of forestry products for bioenergy to replace fossil fuels, has been acknowledged as an adaptation option, leading to reduced dependence on single sources of energy.

At the 5th Ministerial Conference on the Protection of Forests in Europe, which held its 5th Ministerial Session in the beginning of this month, Signatory States committed themselves to enhancing the role of the forest sector in energy production: to increase the use of wood biomass for energy generation, to encourage investment in the production and distribution of bioenergy and to encourage the efficient use of wood and energy.

Wood for energy has become increasingly important: In the EU, ambitious renewable energy targets have been adopted: by 2010, 12% of primary energy consumption should be derived from renewables, by 2020 20%. At present, biomass constitutes - with 66% - the largest source of renewable energy in the EU, and wood is the major source of biomass, with 80%. The EU Biomass Action Plan suggests doubling the production of bioenergy by 2010. The forest sector can thus play a major role in supplying the resources needed for a more sustainable energy future. At the same time, the sector needs to sustain the raw material supply for the wood processing industries, which have been facing an increasing competition for wood from bioenergy producers. In view of these developments, the importance of the interaction between the forest and the energy sectors is becoming increasingly acknowledged.

We have, during the past year, been expanding on our efforts of work on this forest/energy nexus:

- In January, we organized a workshop on Mobilizing Wood Resources, which assessed whether Europe's forests can supply the Increasing Demand for Raw Material and Energy under Sustainable Forest Management.
- In March, we presented to our UNECE/FAO Joint WP on Forest Economics and Statistics, the results of the joint wood energy enquiry, which showed that harvested wood volumes, in particular for energy generation, seem to be significantly higher than reported by official international statistics.
- In October, in the context of the session of the 65th session of the Timber Committee, we assessed- during a Policy Forum - Bioenergy Policies and Targets and their implications on the forests and other sectors. At this occasion, we presented first results of a study - conducted together with the European Commission, the University of Hamburg and other partners - on wood resource availability and demands – and implications of renewable energy policies. This study assesses future wood requirements, for the wood based industries, and for energy- on the basis of national and the EU policy targets. Comparing these future requirements with estimated future wood supply forecasts, a major difference becomes evident. This gap implies that wood supply should be increased in future, from existing or new sources, if renewable energy targets are to be met. While the exact size of this margin - calculated to amount to 185 million m3 wood by 2010 - is subject to discussion, the general direction is not: the pressure on the wood raw material basis will increase and both wood-based industries as well as the energy sector be affected by rising prices.

- To expand on this work, we are organizing a workshop in April next year to allow for the review of statistics of the volume of use and the biomass and bioenergy targets by the forest and the energy communities. We would like to invite you or your counterparts responsible for biomass and bioenergy, to attend this meeting. More information will be available on our website, in due course, or please do not hesitate to contact me or my colleagues.
- During this past year, we have also increased our efforts in capacity building – with a particular focus on South East Europe. Through workshops and seminars, we attempt to encourage information sharing on current developments, help countries understand opportunities related to wood energy and to take advantage of them. A wood energy workshop in Serbia, for example, in the beginning of this week, aims to raise awareness amongst South East European countries of the environmental, economic and social benefits that would result from a wider-scale use of modern wood energy.
- We are planning further workshops on wood energy next year, starting with one in Romania. We are hopeful that in the context of these activities, a further cooperation with your Committee may be possible – notably in the context of the Swiss Re Investment Fund for Bulgaria or Romania or the new EE21 Investment Fund for Eastern Europe. We are committed to working together to explore how current cooperation on wood energy and bio-fuels, notably in the Western Balkans, could be enhanced and formulated as a sub-regional project for EE21, as recommended by the EE21 Steering Committee this May. In addition to such a potential concrete collaboration, we are committed to continue reciprocal information sharing of activities of interest... and to work towards increasing the exchange between the forest and energy circles!

Further information on our activities is available on our website, or please do not hesitate to contact me or my colleagues.