

The Implications of HWP Accounting to the Pulp and Paper Industry



PRESENTED TO

**UNECE/FAO WORKSHOP ON HARVESTED WOOD PRODUCTS (HWP) IN THE
CONTEXT OF CLIMATE CHANGE POLICIES**

9-10 SEPTEMBER

UN PALAIS DES NATION - GENEVA, SWITZERLAND

BY

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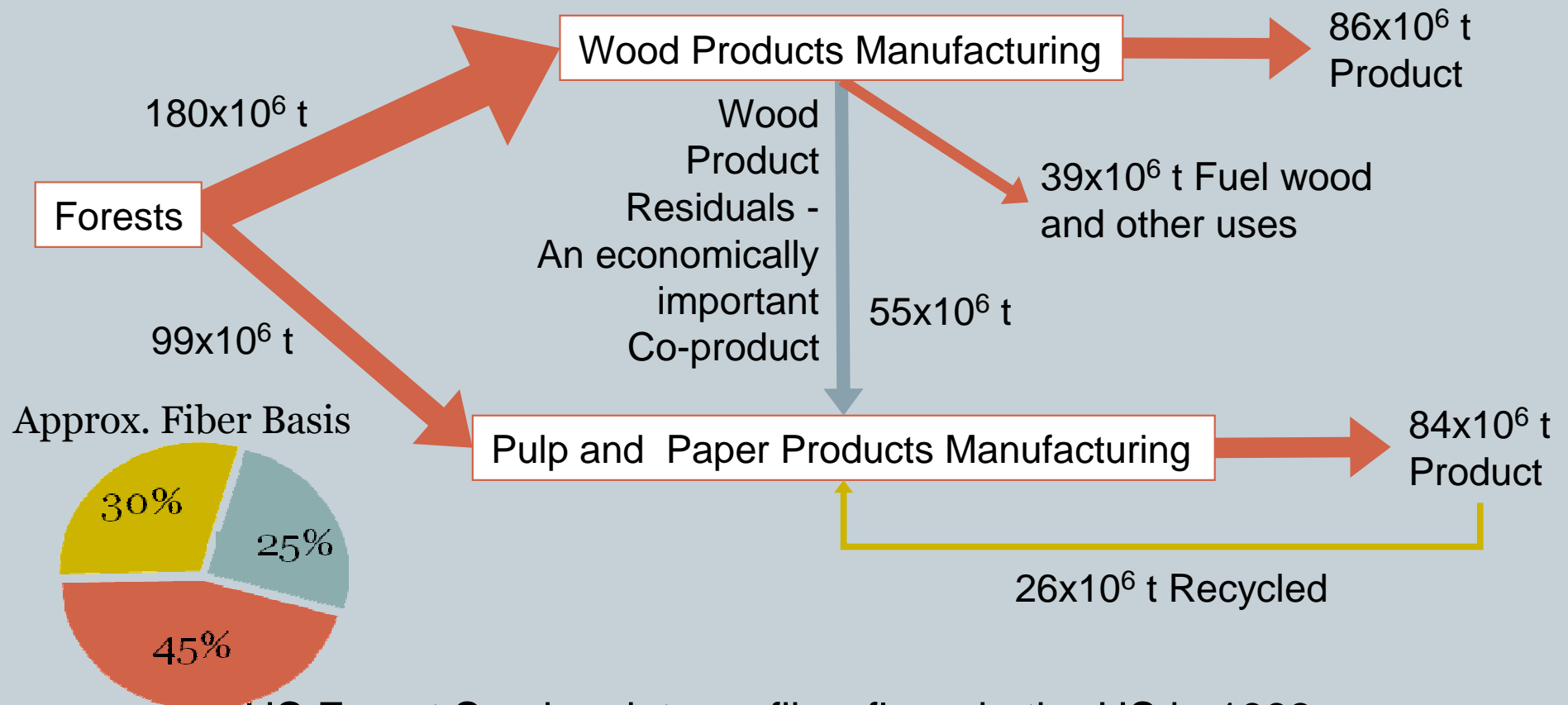
NCASI



- Since 1943, environmental research organization funded mostly by the North American forest products industry
- Global work on climate change
 - WRI/WBCSD GHG Protocol Working Groups
 - Calculation Tools for GHGs from the forest products industry
 - Invited IPCC reviewer on carbon accounting guidelines
 - Invited contributing author for IPCC 4th Assessment Report
 - Series of assessments of the “footprint” of forest products
 - ✦ Global, Canadian, US
 - Assistance to CEPI in developing carbon footprint framework
 - Developing carbon footprint tool for World Bank’s IFC
- Key focus – carbon storage along the value chain

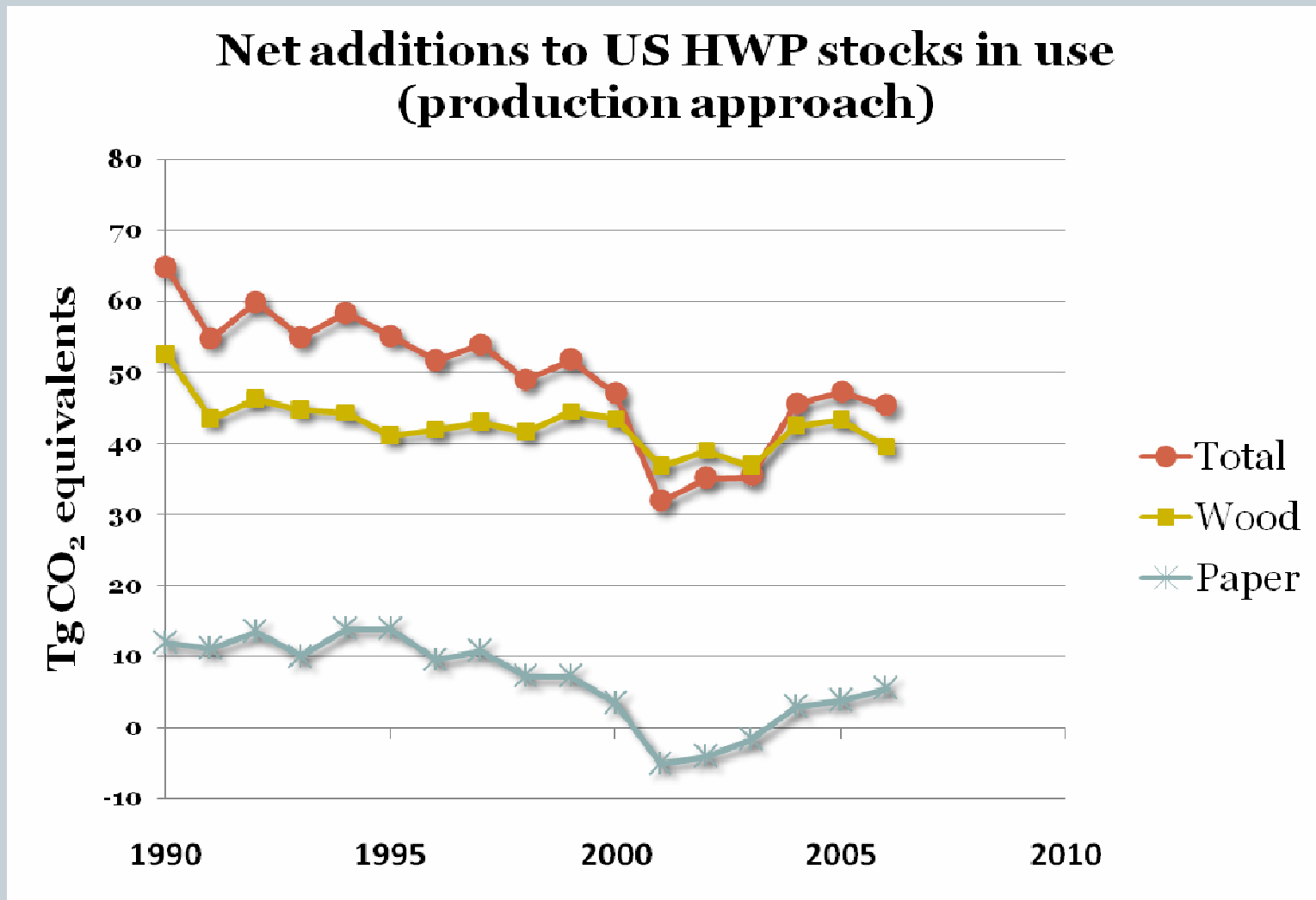
It is a mistake to view the wood products and pulp and paper sectors separately

- The wood products and pulp/paper sectors are closely connected by fiber flows and economics



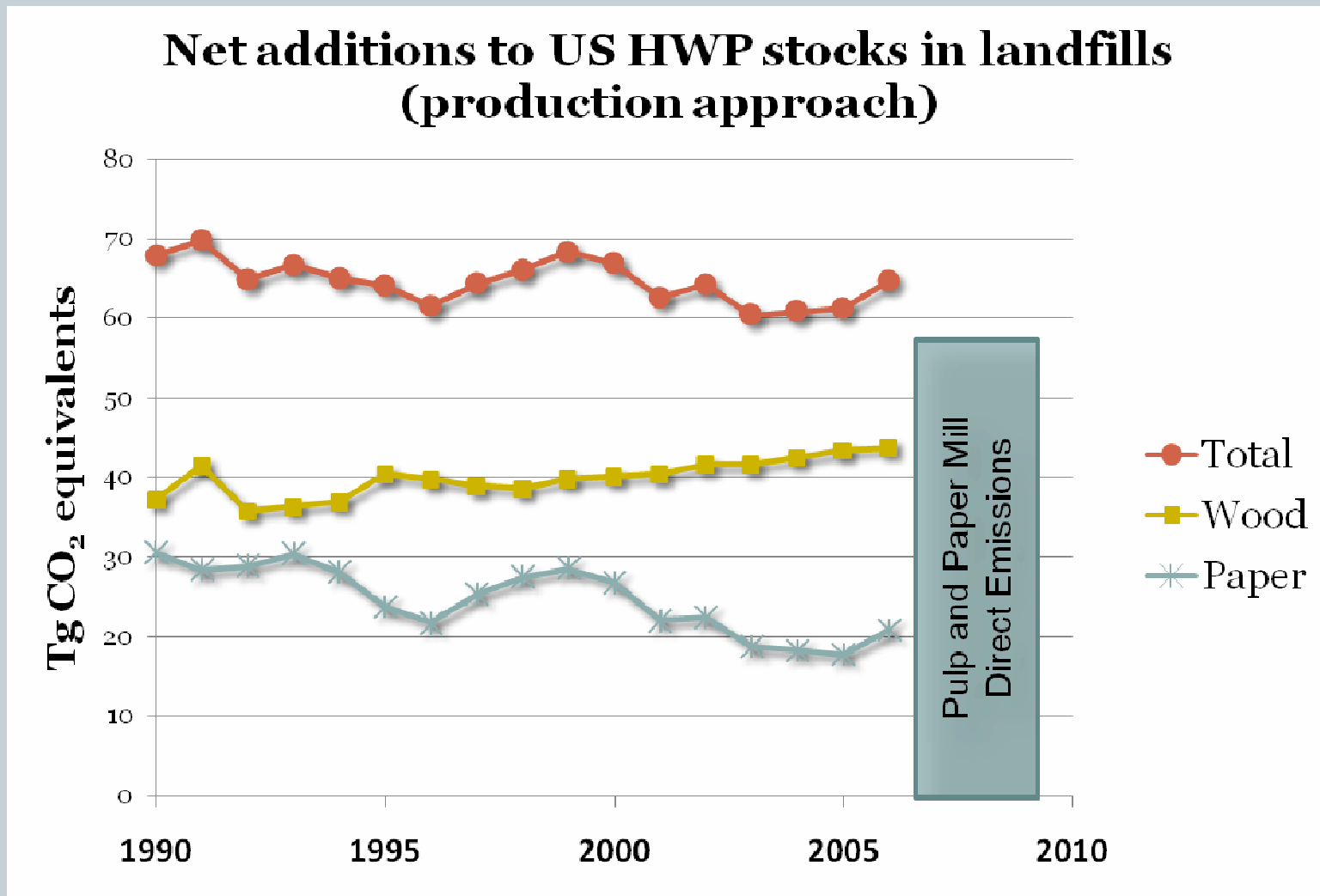
US Forest Service data on fiber flows in the US in 1993

Even for paper, carbon storage is important.
- Maybe not for products in use -



Calculations by Ken Skog, USFS: Contained in Miner, et. al., *The greenhouse gas and carbon profile of the US forest products sector*, NCASI, Sept. 2008

Even for paper, carbon storage is important. - Certainly in landfills -

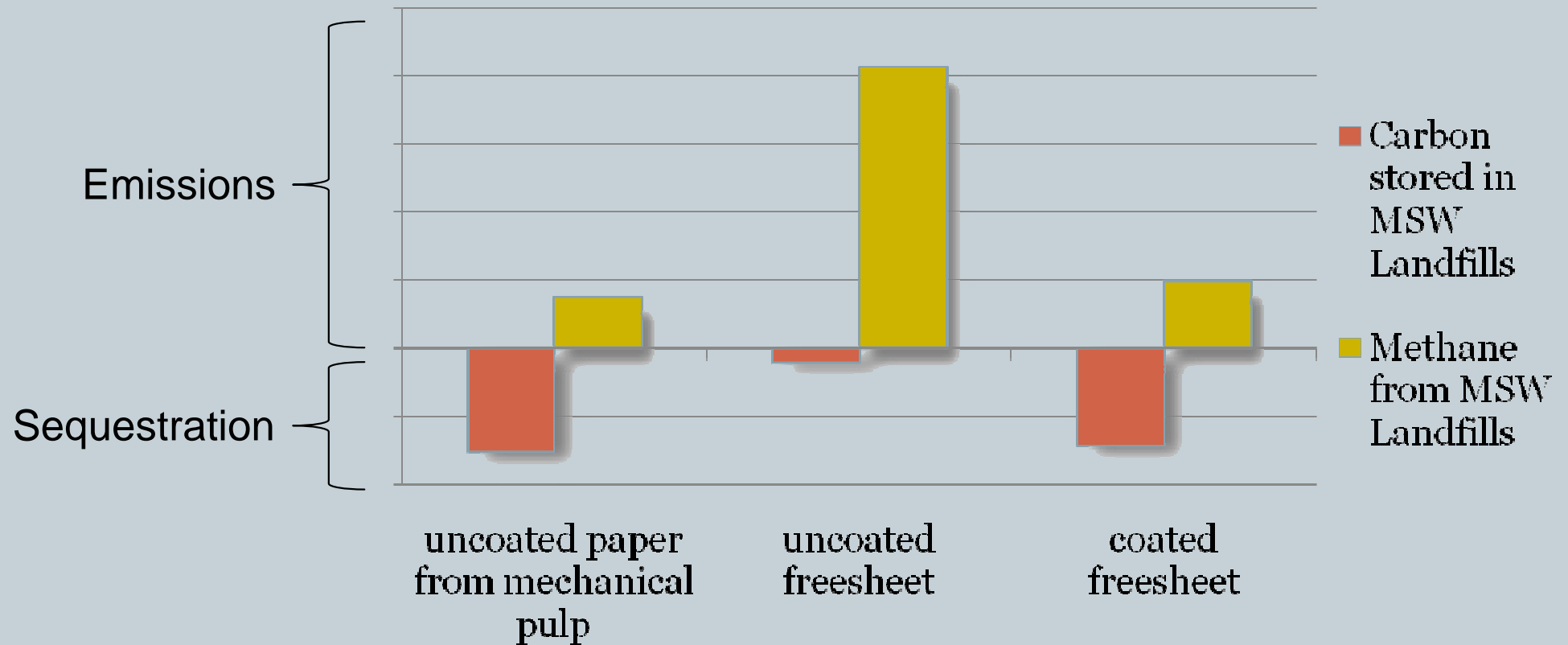


Contained in Miner, et. al., *The greenhouse gas and carbon profile of the US forest products sector*, NCASI, Sept. 2008

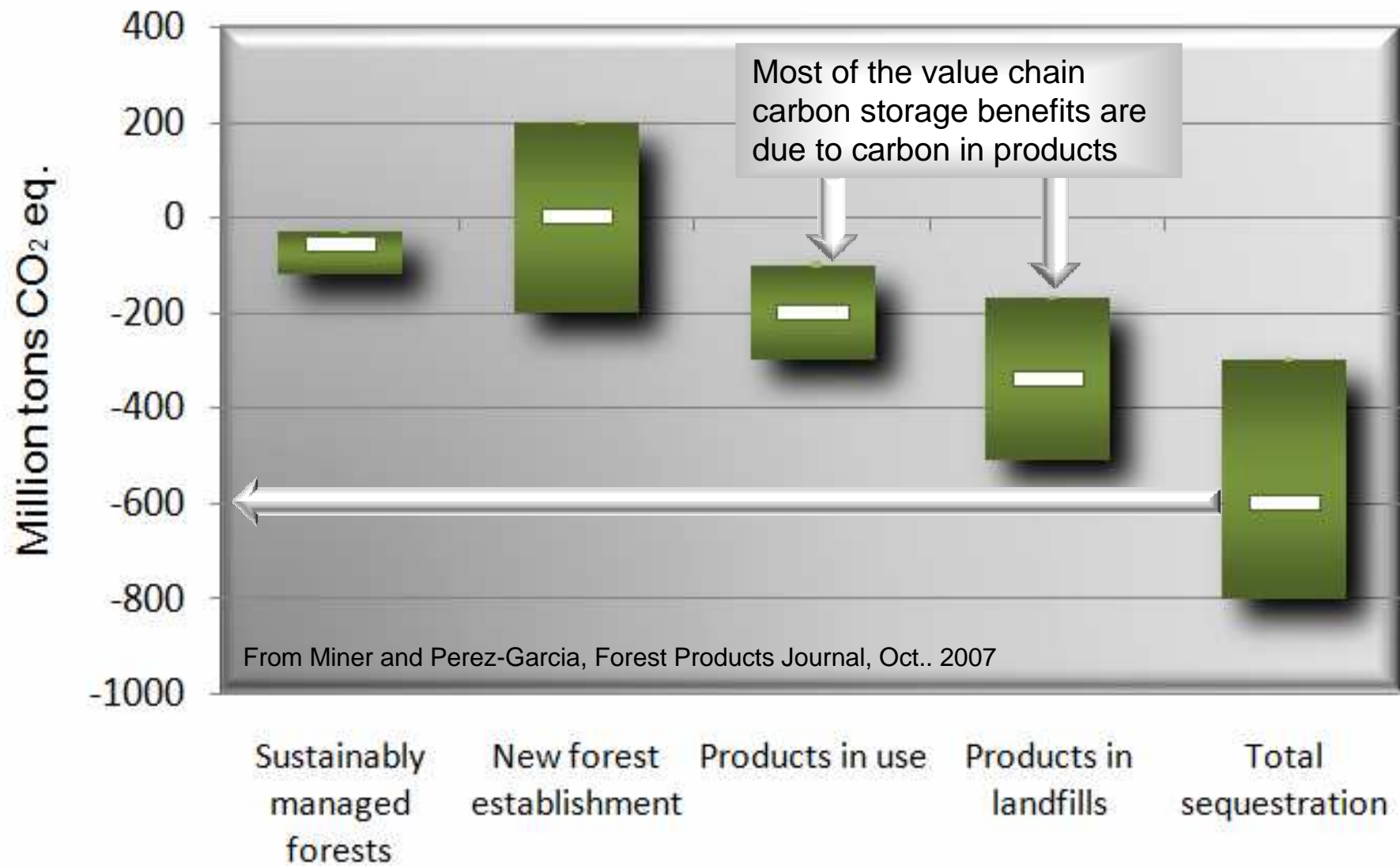
This is not to promote landfills, but...



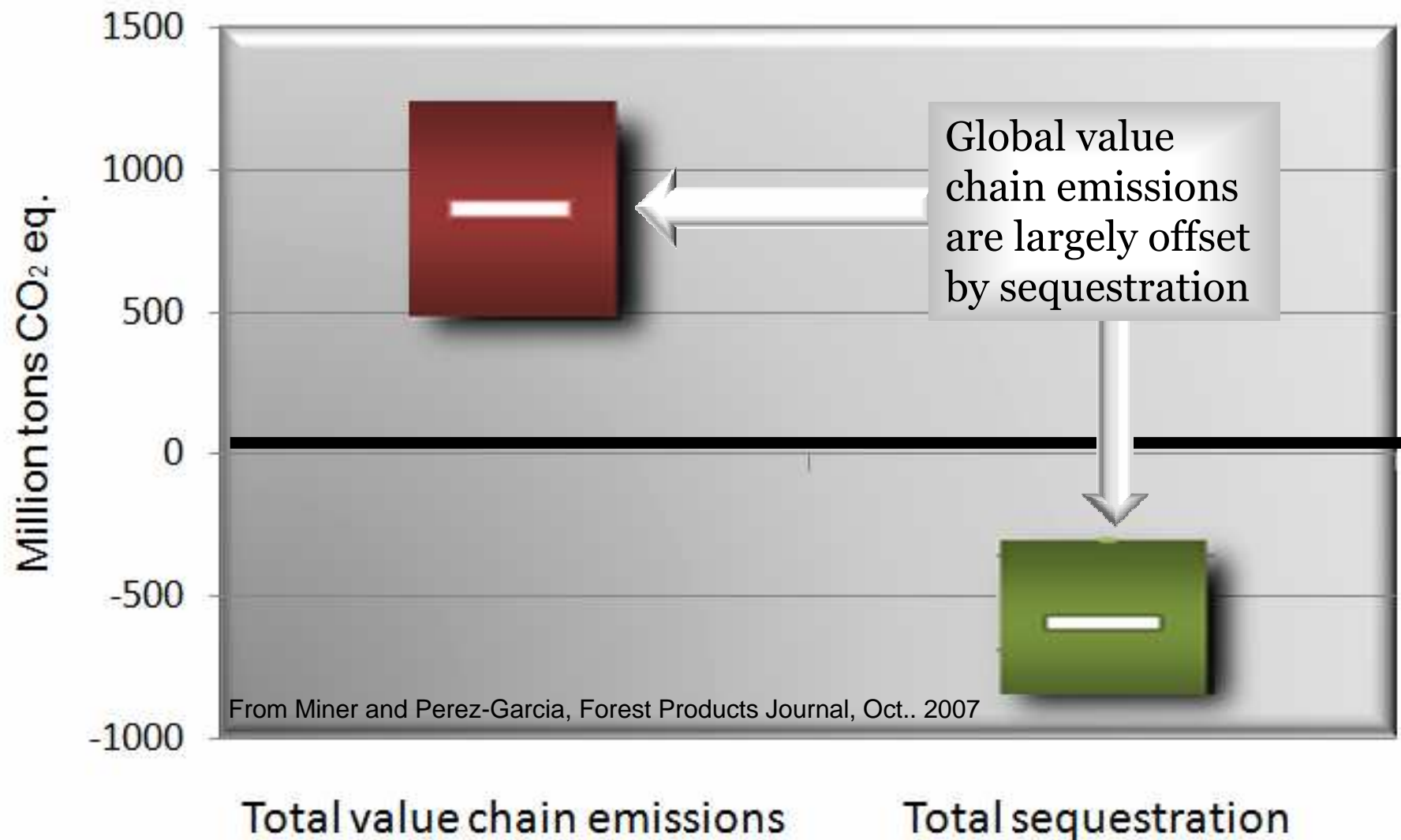
- It is asymmetrical to “count” landfill methane from HWP decay but ignore carbon storage in landfills



HWP carbon is important in the context of the Global Forest Products Value Chain

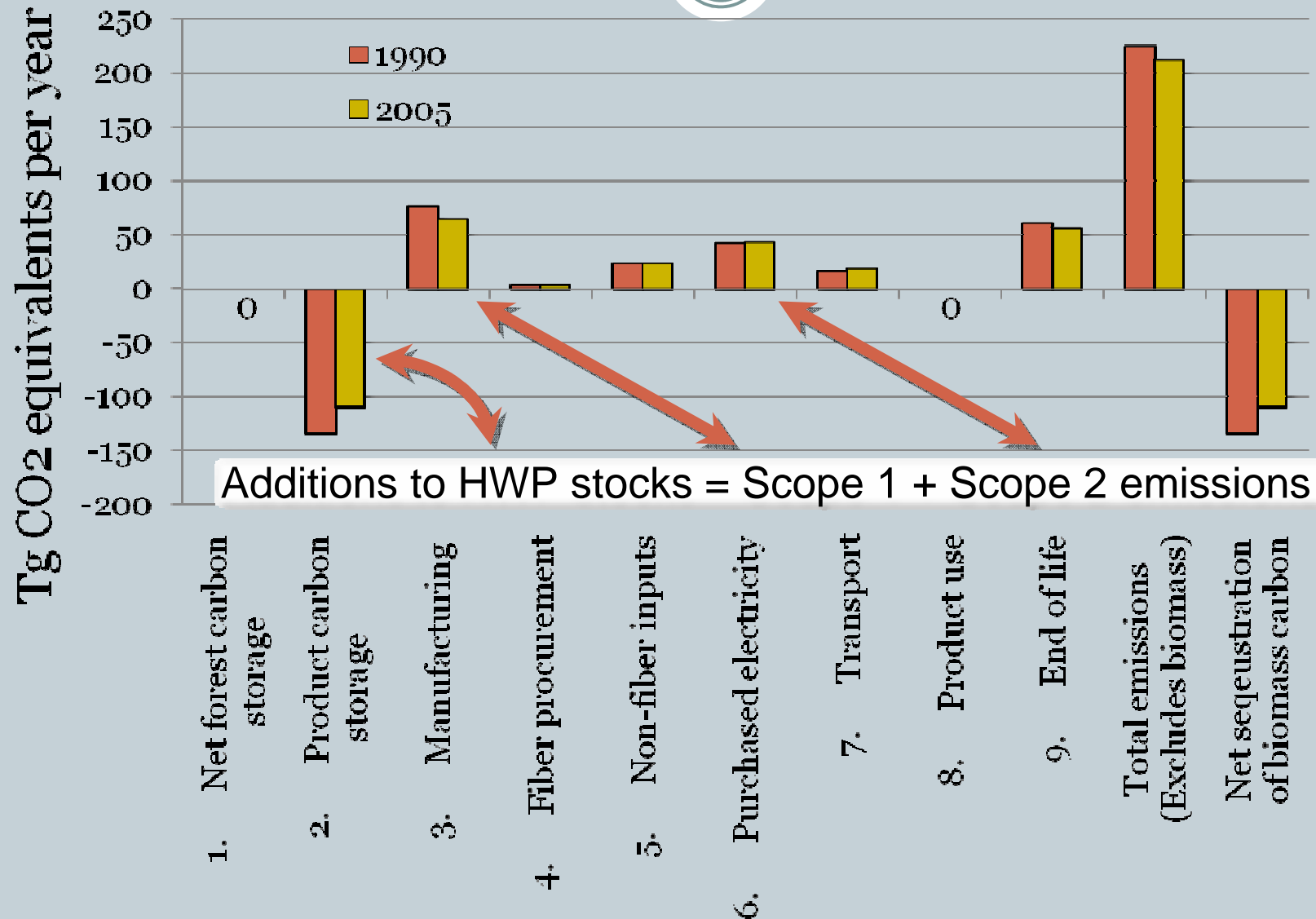


HWP carbon is important in the Context of the Global Forest Products Value Chain

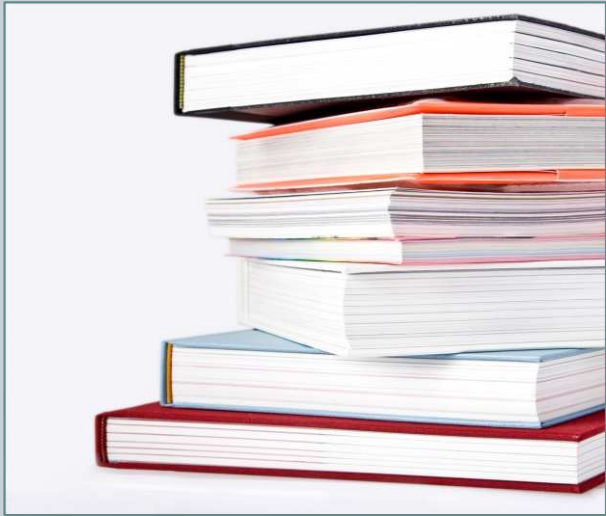


From Miner and Perez-Garcia, Forest Products Journal, Oct.. 2007

HWP is important in the context of the US forest products value chain



So HWP carbon is important



- The additions to HWP stocks may not be significant for the nation's inventory,
- But they are substantial in the context of the forest products value chain
- And they are necessary to accurately portray the sector's footprint

Are HWP estimates too uncertain?



- The estimates are no more uncertain than for other greenhouse gas flows, and are improving.
 - Countries are collecting better HWP data
 - More robust data on landfill storage are being developed (State Forests of NSW, Australia and NC State, USA)
 - Countries are beginning to calibrate model-based HWP estimates against field data on housing and landfills



Mixing policymaking and HWP accounting



- Carbon accounting involving paper products seems especially susceptible to political influence
 - In some places, a desire to promote recycling, regardless...
 - In other places, a desire to stop the burning of waste, regardless...
- Some want to count only “additional” HWP, regardless...
- Biomass energy and biofuel policies
 - Desires to promote or discourage biomass energy and biofuel development, regardless...

In such a complex biomass-based value chain, you need to consider a lot of different things



- Forests absorb, store and release massive amounts of carbon and are subject to natural and human disturbances
- Markets for wood from sustainably managed forests maintain, rather than deplete, forest carbon stocks
- More intensive forest management can put more carbon in HWP storage, but can sometimes reduce forest carbon stocks via shorter rotation times
- Recycling, in many cases, reduces lifecycle greenhouse gases, but sometimes does not
- Many, but not all, forest products can substitute for more GHG-intensive products in commerce

Beware unintended consequences



- These complexities greatly increase the potential for well-intentioned public policies to have unintended consequences.
- As a result, one should be very wary about slanting forest and HWP carbon accounting practices to accomplish specific policy objectives
- Let's get the carbon accounting right first



Do international HWP accounting approaches matter to the forest products industry?



- **Generally only if...**
 - They result in national policies that put them at a disadvantage relative to competitors or,
 - They result in national policies that put them at a disadvantage relative to competing materials, or
 - They result in national policies that fail to recognize the value of sustainable forest management practices, HWP carbon, biomass energy and the other attributes of the forest products industry value chain.
- **Ultimately, national policies are more important than the choice of HWP accounting approaches**

Conclusions



1. You cannot logically or economically separate the wood products and paper sectors
2. The carbon in HWP is too large to ignore if you want to understand the forest products value chain
3. Even paper products store carbon, mostly in landfills
4. It is asymmetrical to “count” landfill methane from HWP decay but ignore carbon storage in landfills
5. The estimates for HWP stock changes are no more uncertain than for other greenhouse gas estimates

Conclusions (continued)



6. HWP carbon accounting and specific policy objectives should be kept separate where possible
7. The industry sees a need for an accounting approach that includes carbon stored in HWP
8. National-level policy decisions are more important than the selection of a HWP accounting approach
9. When it comes to policy objectives, HWP carbon must be considered in the context of the carbon and greenhouse gas attributes of the full value chain



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Thank you