



**Economic Commission for Europe
Organization**

Timber Committee

**Joint FAO/UNECE Working Party
on Forest Economics and Statistics**

Thirty-third session

Geneva, 23-24 March 2011

Item 4 of the provisional agenda

Food and Agriculture

European Forestry Commission

**UNECE/FAO Forestry and Timber Section's
Activities on Wood Energy**

Note by the secretariat

Summary

This document aims to inform participants to the thirty-third session of the Joint FAO/UNECE Working Party on Forest Economics and Statistics about work achieved in the field of wood energy since the last session in March 2010, notably through the third round of the Joint Wood Energy Enquiry (JWEE).

I. Wood Energy Developments

1. As the world emerges from the economic and financial crisis, demand for energy is rising. Increasing fossil fuel costs provide incentives for lower-cost wood-based fuels. In addition to these market forces, government policies to support renewable energy continue to promote wood for energy. European energy companies have responded by investing heavily in wood energy through a continuation of the established procedure of replacing power stations using fossil fuels with new plants using wood fuels and through investments in large-scale wood pellet production facilities, particularly in North America. Although wood pellets have been dominating international wood fuel trade, there is also a growing interest in long distance international trade in wood chips. Wood energy use and pellet production levels are also increasing in the Russian Federation, despite the overall regression of the Russian forest sector in recent years. Russian federal and regional governments are actively implementing policies on energy efficiency and renewable energy supply, increasing wood energy use and production. Meanwhile, the United States has suddenly become the world's leading producer of wood pellets through the construction of a number of the world's largest pellet plants while the large export-oriented Canadian wood pellet industry is evolving with increased utilization of non-traditional raw materials (i.e. materials that are not sawmill co-products) and growing domestic pellet demand. Although federal policy measures on wood energy are largely absent in Canada, provincial governments are becoming increasingly proactive in promoting bio-energy market development.

II. Capacity building and outreach activities

2. Building on the experience gained from workshops organized in South Eastern Europe, the UNECE/FAO Forestry and Timber Section focused on the expansion of its capacity building and communication activities on wood energy to the CIS region as follows:

a) Minsk Wood Energy Workshop, June 2010

3. A regional workshop entitled "Policy Options for Wood Energy in CIS Countries" was held in Minsk, Belarus from 1 to 4 June 2010. The meeting was organized by the Belarus Ministry of Forestry, together with the FAO subregional office for Central and Eastern Europe, the UNDP office in Belarus, UNIDO and the UNECE/FAO Forestry & Timber Section.

4. National experts from the forestry and energy sectors of Armenia, Azerbaijan, Belarus, Kazakhstan, the Republic of Moldova, the Russian Federation, Turkey, Ukraine and Uzbekistan reported on the status of wood energy in their countries. To raise the profile of wood energy throughout that region, the experts recommended that public and private bodies concerned with energy and with forest management should work on achieving improved policy coherence and cooperate more closely. It is clear that the use of wood energy is mostly related to a country's forest coverage and access to fossil fuel resources. In most countries, lack of infrastructure limits access to remote areas, thereby hampering the mobilization of wood. Participants nevertheless highlighted the potential contribution of wood from sanitary fellings to local wood energy production in rural areas.

b) International Energy Efficiency Forum, September 2010

5. The UNECE/FAO Forestry & Timber Section participated in the International Energy Efficiency Forum 28-30 September 2010 held in the margins of the Sixth Ministerial Conference on Environment and Development in Asia and the Pacific (MCED-6) in Astana, Kazakhstan. The Section was invited by the UNECE Sustainable Energy Division to deliver a presentation on the current and potential role of wood energy in the UNECE region at a Workshop on Investments in Energy Efficiency and Renewable Energy Projects. The workshop focussed on policy reforms to promote investments in energy efficiency and renewable energy projects and on potential for such investments.

c) Other outreach activities

6. The UNECE/FAO Forestry & Timber Section also continued cooperating with the UNECE Sustainable Energy Division by delivering presentations on its programme of work at the 21st Session of the Steering Committee of the Energy Efficiency 21 Project (Geneva, 11 June 2010), the International Workshop on the Development of the Renewable Energy Sector in the Russian Federation and in CIS Countries (Geneva, 24 October, 2010) and the 19th session of the Committee on Sustainable Energy (Geneva, 24-26 October 2010).

III. Joint Wood Energy Enquiry

7. Delegates at the 31st session of the Working Party agreed that the JWEE should be repeated on a two-year cycle. Hence the enquiry to collect wood energy data for the reference year 2009 was updated and developed in the course of 2010.

8. The JWEE 2009 prefilled with data from the Joint Forest Sector Questionnaire (JFSQ) was sent to 53 UNECE member states on 25 November 2010. The enquiry was delayed due to insufficient resources holding back the recruitment of specialist support to prepare the enquiry on time. At this point, the 2009 dataset from the International Energy Agency (IEA) Renewables Questionnaire was not yet available. However, to avoid further delays, the JWEE was sent out prefilled with only JFSQ data and historical data from JWEE 2005 and 2007, where available.

9. The overall response has improved compared to that received to the enquiries conducted for reference years 2005 and 2007. At the time of writing, sixteen countries responded to the data request (Austria, Belarus, Bosnia and Herzegovina, Canada, Cyprus, France, Italy, the former Yugoslav Republic of Macedonia, Norway, the Russian Federation, Slovakia, Slovenia, Sweden, Turkey, the United Kingdom and the United States). A number of countries have informed the secretariat that work on the enquiry is under way, but no response has been received, so far. Correspondents from two countries stated that they did not have sufficient means for submitting any data since wood energy plays no role at a national level.

10. Reminders have been sent out periodically, and the deadline for responses was extended from 7 January to 18 February 2011. Each reminder has generated a few more replies and/or clarified doubts regarding the accuracy of the correspondents list. The secretariat is currently following up with countries that have not responded at all to the enquiry to try to establish reasons for the lack of response be it for lack of data or the relative importance of wood energy in national energy supplies. At the same time, the secretariat is validating responses and classifying them according to the completeness of the datasets provided, and following up with correspondents to complete any gaps. IEA datasets for 2009 have since been published and will be integrated into the final JWEE 2009 results.

The secretariat invites countries that have not yet submitted their information to provide data.

11. The secretariat will finish the data review by the end of spring and will prepare a dataset for release in the summer followed by a Discussion Paper on the JWEE 2009 results by early 2012. Translation of the questionnaire into Russian is underway and the draft will be shared with the Team of Specialists on Forest Policy in Eastern Europe and Central Asia for their review and comments. The next round of the JWEE will therefore be available in English and Russian.

The Working Party delegates are invited to give their views on the JWEE process and provide guidance on the elaboration of the JWEE and the dissemination of results.

12. The secretariat plans to communicate the JWEE results widely.

The Working Party delegates are invited to consider whether their country could provide any support in this regard.

IV. Wood Energy Policy Review

13. The UNECE/FAO Forestry and Timber Section is reviewing the current and potential role of wood energy in the renewable energy policies of Member States of the UNECE region. Information is

being collected and elaborated through the consultation of countries' national strategies and websites providing statistical and policy data on renewable energy, with a particular emphasis on the role and status of wood energy. In addition to the above sources, for the EU27, the analysis is being carried out taking into account the National Renewable Energy Action Plans (NREAPs), submitted by each country in response to a directive of the European Parliament to define measures and strategies undertaken under the framework of the European's renewable energy policy. For CIS countries in particular, reports submitted under the project "Development of the Renewable Energy Sector in the Russian Federation and in CIS Countries: Prospects for Interregional Cooperation" managed by the UNECE Sustainable Energy Division have been used as an additional source of information. Preliminary findings of the review will be presented at the Working Party.

The Working Party delegates are invited to comment on the usefulness of this additional information and advise on its collection in the future for possible inclusion in the next round of the JWEE. Delegates' comments on the situation of wood energy in their respective countries are also welcome.

V. Wood Energy in the Programme of Work

14. Wood energy is currently a sub-theme under Work Area 1 of the UNECE/FAO Integrated Programme of Work on Timber and Forestry. So far, wood energy activities have focused on data collection and analysis and capacity building through workshop events. Through contacts with government representatives, the need for closer contacts with countries, especially in the EECCA region, has emerged. Wood energy is garnering increasing attention, especially as a means to reduce the region's dependence on expensive fossil fuel imports and to reduce the cost of energy provision to remote regions.

The Working Party delegates are invited to consider extending the scope of wood energy activities to cover policy issues and capacity building including the provision of advisory services to countries interested in developing wood energy programmes.