

Economic and policy challenges for wood energy in South-East Europe

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Wood energy – the fuel of choice for Serbia
2 - 3 December 2008, Belgrade, Serbia



Why wood energy in South-East Europe?

- Significant forest resources (net annual increment), particularly from private forestry
- Potential from afforestation of abandoned agriculture land
- Potential for the use of wood residues from wood processing
- Traditions in wood use for individual energy generation, particularly in rural areas



Why wood energy in South-East Europe?

- Rising environmental awareness and expected political shift towards renewable energies
- **Nevertheless: oil and natural gas are displacing wood - reverse to policies in Western Europe**
- Improvement of energy security through decentralization of energy supply



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

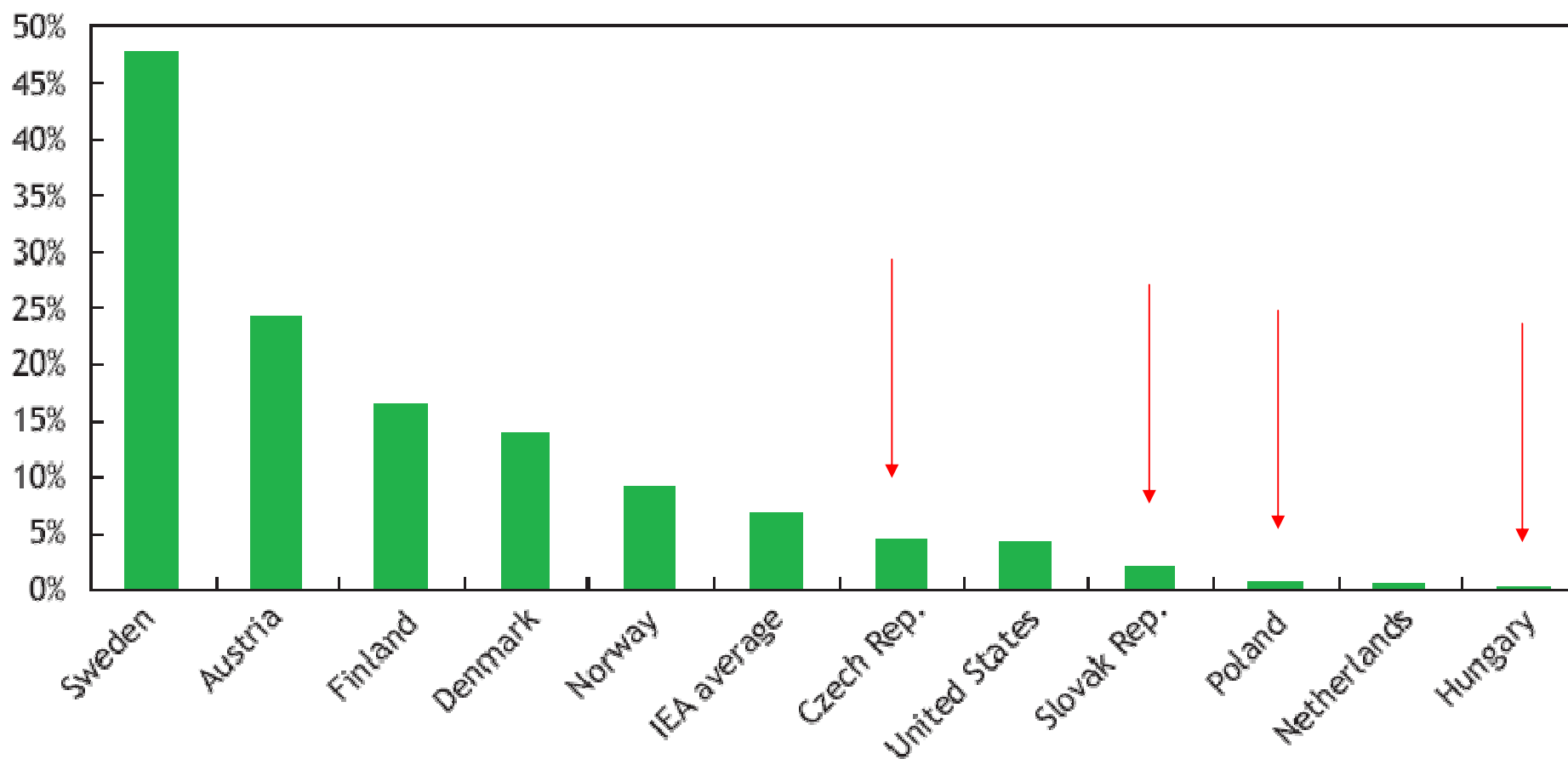


Challenges of wood energy

- High transportation costs
- Small-scale ownership in private forestry
- Declining wood availability and increasing price of wood for all wood users (competition, environmental impacts on other users)
- Potential impacts on biodiversity
- Application of sustainable harvesting methods (selective cuttings, natural regeneration)
- Knowledge on the use of wood energy



Solid biomass share in large scale heat production of leading countries

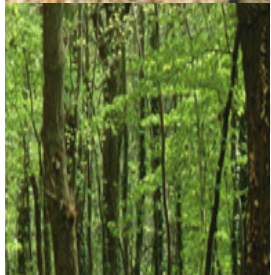


Source: IEA, 2007a.



Policy relevant findings

- Mobilization of wood requires a “balanced” approach, considering environmental, social and economic impacts
- Coordination of policies related to wood energy:
 - European energy policies (west/east)
 - Land use policies (agriculture/forestry/water)
 - Energy policies (sun, wind, water, crops, wood)
 - Forest policies (forestry/biodiversity/hunting etc.)
 - Economic development policies (wood industry/forestry)
- Deregulation! in the context of fair competition



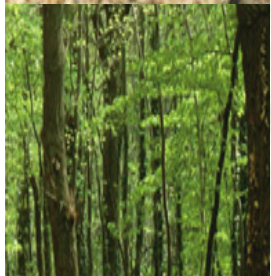
Options for wood energy in South-East Europe (priorities)

- Develop domestic production of small and medium-size wood energy generation systems
- Renovate individual wood heating systems
- Implement community projects for wood energy generation
- Combine heat production with electricity generation



Options for wood energy in South-East Europe (tools)

- Capacity building on bioenergy management (workshops, study tours, etc.)
- Data and information gathering on wood energy
- International assistance (sustainability analysis and outlooks, national sub-regional strategies, pilot projects, etc.)
- Policy advise through international organizations (such as UNIDO, UNEP, FAO and others) as well as through intergovernmental agreements (such as Carpathian Convention)



Thank you for your attention!

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