



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

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# 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





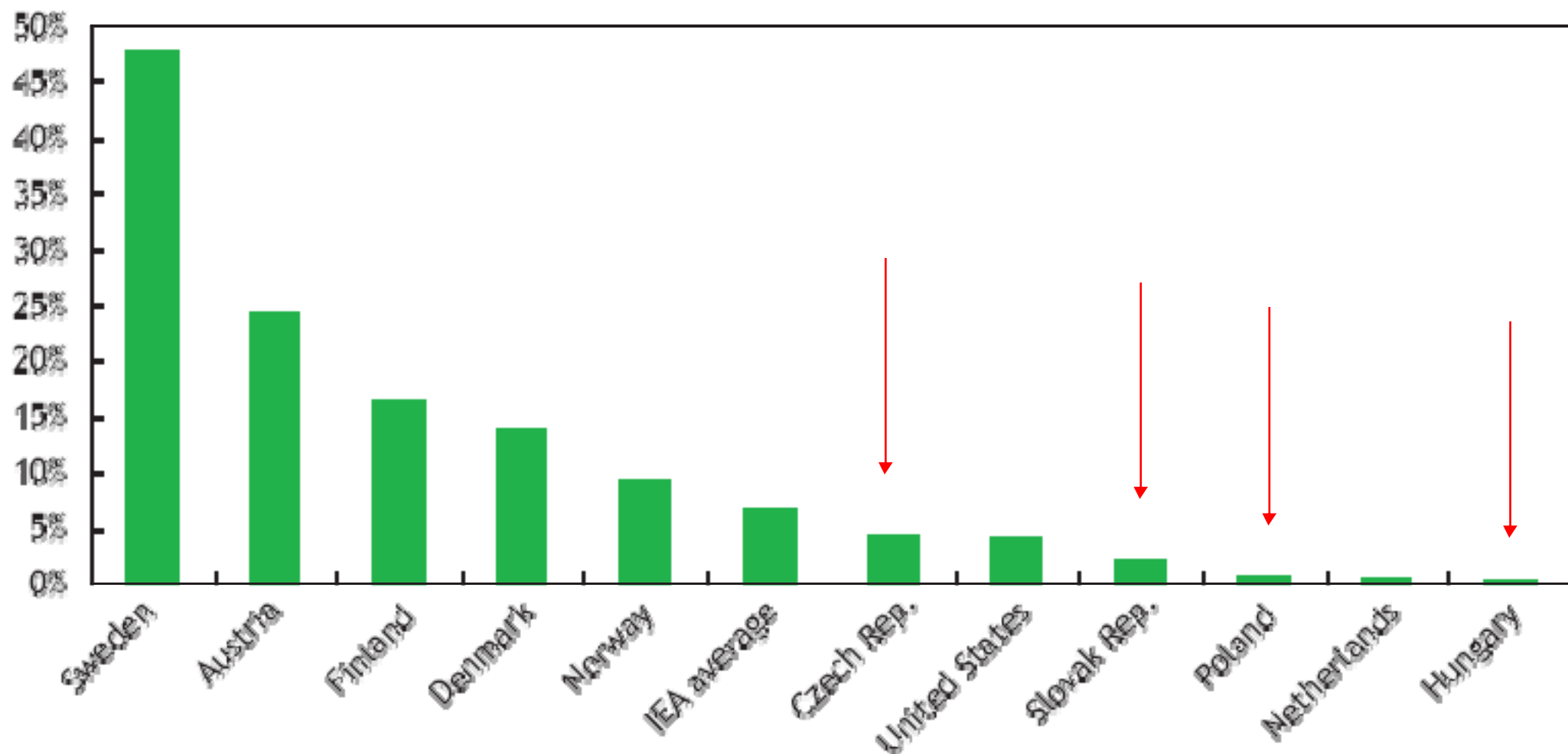
# Challenges of wood energy

- 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)
- Impacts on biodiversity
- Application of sustainable harvesting methods (selective cuttings, natural regeneration)





## 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 impacts to other wood/forest land users
- Coordination of policies:
  - Land use policies (agriculture/forestry/water)
  - Alternative energies (sun, wind, water, crops, wood)
  - Forest policies (forestry/biodiversity/hunting etc.)
  - Wood industry and wood energy users



## Options for wood energy in South-East Europe (phases)

- 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)

