



Forests, Climate Change and the Forest Industry

Enabler of bio-energy

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Bio-energy future

- The EU has set itself a 20% target for renewables by 2020, including a 10% target for liquid biofuels on all fuels. The EU is at 8,5% today.
- The economics of renewables show that biomass will have to fulfil a huge role in meeting these targets.
- The EU member states will install support systems and a trading system in renewable certificates.
- The second generation liquid lignocellulosic biofuels is needed to really bring progress, but will not be there before 2015-2020.



A change of focus

- The biomass policy will change the focus on land use in the EU.
- A competition for land between fibre, fuel and food is already there. The reform of the Common Agricultural Policy will be crucial.
- Interestingly EU has no mandate on forest policy, which is still a member state issue.
- EU will rely on imports of biomass and liquid biofuels as well – driving the impact of this policy far beyond its borders.
- A potential shortage of biomass lies ahead, if the policies do not focus on biomass supply. EU does not do so right now.



EU Forest industry at a crossroads

- The EU forest based industry is the largest producer and consumer of bio-energy.
 - It is almost 50% biomass based for its energy needs and works with a renewable, recyclable raw material.
 - It today supplies 25% of EU solid biomass based renewable energy.
- It can be a key enabler to meet targets:
 - The industry is the only one with the logistics to handle these biomass supplies.
 - Industry installation can use biomass at the highest efficiency in large scale CHP.
 - Industry has the knowledge and experience to do so,
 - Industry will be the best place to produce the second generation lignocellulosic biofuels.



The right EU policies

- But EU industry will also face the strong competition for biomass, higher energy costs.
- Industry can contribute if the right integrated policies are put in place. In CEPI views:
 - A strong focus on sustainable biomass mobilisation in the EU, both from forestry and agriculture.
 - A resource hierarchy – optimal wood products use.
 - A strong commitment to the waste hierarchy.
 - Energy efficiency and resource efficiency.
 - A strong focus on R&D for 2nd generation.
 - Sustainability criteria for biomass and liquid biofuels.



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