



# Forests, Climate Change and the Forest Industry

## The business perspective

CIFOR Forest Day  
UNFCCC COP 13 Parallel Event  
Nusa Dua, Bali  
December 8th 2007



## ICFPA, WBCSD and NCASI

**ICFPA** is the organization of the world's forest and paper industry associations, with 19 members from all over the world representing 90% of global pulp and paper capacity and 50% of woodworking capacity. It is a forum of global dialogue, coordination and cooperation.

**WBCSD**, the World Business Council for Sustainable Development, a coalition of some 200 global companies, including forestry and forest products, united by a shared commitment to sustainable development.

**NCASI**, the National Council of Air & Stream Improvement, an independent, non-profit research institute that focuses on environmental topics of interest to the forest products industry.



## Side event programme

### Forests, climate change and the forest industry – The business perspective

Chair: Teresa Presas, President, ICFPA

12:00 – 12:10	Welcome and introductions by the Chair Introducing the forest based sector and its different roles in climate change
12:10 – 12:30	The Carbon profile of the global forest industry sector (Reid Miner, NCASI)
12:30 – 12:40	Forests and bio-energy – Global view (Wulf Killman, FAO)
12:40 – 12:50	Forest industry as enabler of bio-energy (Marco Mensink, CEPI)
12:50 – 13:10	Comments from Experts Panel: 1. Ernesta Ballard, Weyerhaeuser 2. Stewart Magginis, IUCN 3. Paolo Canaveira, Government of Portugal 4. Neil Franklin, APRIL
13:10 – 13:20	Questions and Answers from the floor
13:20 – 13:30	Sustainable forest product industry Key messages for policy makers WBCSD (James Griffiths)



## From the Fourth assessment report

- In the 4th AR, the mitigation potential in forestry was estimated to have the economic potential at costs up to 100US\$/tCO<sub>2-eq</sub> to contribute 1.3-4.2 GtCO<sub>2-eq</sub>/yr in 2030.
- About 50% can be achieved under 20US\$/tCO<sub>2-eq</sub> with large differences between regions.
- The largest potential is foreseen in halting deforestation in tropical regions.
- A significant potential was also foreseen in building up biomass in existing forests, in providing biomass for bio-energy and to a lesser extent in optimal wood products use.



## From the Fourth assessment report

- The authors conclude that in the long term:
  - a sustainable forest management strategy
  - aimed at maintaining or increasing forest carbon stocks,
  - while producing an annual sustained yield of timber, fibre or energy from the forest
  - will generate the largest sustained mitigation benefit.



## The mitigation function of forests may have large implications for the forest sector by:

- Locking previously used biomass in the forests for carbon sequestration in the ecosystem.
- Stimulating the net increase of forest area, through reducing deforestation or adding new plantations.
- Increasing deforestation because of additionally required land for liquid bio-fuels and bio-energy.
- Diverting harvested biomass and recovered fibre to bio-energy facilities instead of to the conventional paper and wood working industries.



## The mitigation function of forests may have large implications for the forest sector by:

- Stimulating recovery of disposed wood and paper products because raw material prices may rise.
- Stimulating paper and wood working industry to become a net energy producing industry.
- Providing incentives for investments to make managed forest more productive.
- Providing support for wood based products to substitute many other materials based on its better carbon profile.



## Impact analysis

- In terms of direct monetary costs of mitigation, a fair amount of studies has been carried out.
- However, in the field of potential side impacts of these mitigation options on the forest sector (given certain implementation rates), very little information is available.
- To analyse the future decisions and balances, the starting point could and should most likely be the overall carbon profile of the global forest based industry.



## So to kick-start today

- Climate change policy will drastically change the focus on and the role of forests around the world.
- The forest industry will:
  - Meet these developments in all aspects of its existence.
  - Be a crucial enabler for implementation of measures and meeting of targets.
  - Need to be a central participant in the debates, to fill in its responsibilities and identify its opportunities.
- And that's why we bring *the business focus* today.

