

Conclusions

- (i) Woody biomass has the greatest opportunities as an indigenous renewable energy source in Serbia and mostly likely South-East Europe.
- (ii) Before biomass can achieve its full potential, there is a need for coordinated action, led by governments, to identify and overcome a number of barriers, including institutional, transitional, financial, and technical issues.
- (iii) High oil prices will mean that wood fuel becomes increasingly competitive with fossil fuels – the use of renewable energy sources leads to energy security in terms of supply and prices.
- (iv) Short-rotation coppice can boost wood availability but may require specific incentives, as well as the obvious technical knowledge, but there is experience to be drawn on from other countries, notably Italy.
- (v) Despite the availability of wood fuel and in contrast to developments in Western Europe, oil and natural gas continue to replace wood in some countries in South-East Europe and the Commonwealth of Independent States.
- (vi) The immediate priorities for South-East Europe appear to be the development of domestic production of small- and medium-sized wood energy generation; to renovate individual household wood heating systems and to install community systems.
- (vii) A challenge to the expansion of wood energy will be to overcome its image among many consumers of being old-fashioned and inconvenient. Modern wood burning techniques are efficient and can meet the highest environmental standards.
- (viii) Without well-targeted, stable incentives and support schemes to develop domestic markets for modern, efficient heating systems, Serbia will not be able to make full use of its woody biomass for energy generation: in consequence, jobs and wealth will be exported. In some South-East European countries, income and jobs have been created in rural, forested areas through wood fuel production and use.
- (ix) A number of wood resource challenges must be overcome including high transport costs, inadequate forest roads, small-scale ownership (2 hectares per owner in Europe versus 0.3 hectare per owner in Serbia), increasing competition with the wood industry and knowledge about wood fuels production and use.
- (x) Policies for woody biomass development and use need a balanced approach considering environmental, social and economical issues and with an intersectoral perspective, with coordination of European Union (EU) policies.
- (xi) There are several barriers to further wood fuel development in Serbia and other South-East European countries, including:
 - A lack of standards for pellets and other wood fuels which correlate to EU countries
 - High investment costs
 - Quality assurance and stable, secure supply
 - Lack of financial incentives
 - Customer information on the advantages of biofuel
 - High transportation costs
 - Weak domestic consumption necessitating exports of biofuels
 - Volatility of market prices

- Competition between energy producers and the wood products industry for wood resources from forests, plantations and woodworking by-products.
- (xii) Without government incentives, the cost of efficient wood burning equipment is too expensive for most individuals in Serbia, as well as small- to medium-sized installations.
- (xiii) There is a lack of source of information in Serbia about biofuels' specification and conversion systems.