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ORGANIZATION**

Timber Committee

European Forestry Commission

Joint FAO/UNECE Working Party
on Forest Economics and Statistics

Thirtieth session
Geneva, 2-3 April 2008
Item 2 of the provisional agenda

IN-SESSION SEMINAR ON POTENTIAL WOOD SUPPLY

Seminar context and related activities

Note by the secretariat

1. This document is produced in accordance with the programme of work as approved by the Timber Committee in ECE/TIM/2007/9 and “the needs at the international level for statistics and other information relating to the forestry” as stated in the terms of reference of the Working Party as approved by the Timber Committee in ECE/TIM/2006/8.

I. Introduction

2. In the light of rapidly growing demand for wood as raw material for the forest based industry, and for energy, the question of potential wood supply is of increasing importance. There are concerns that sustainable wood supply may be lower than foreseeable demand. A linked question is how to reach the potential (the question of wood mobilisation): under what circumstances can Europe’s wood supply reach its potential, what measures would be necessary to achieve this and what would be the consequences for other forest functions of increasing Europe’s wood supply?

3. Information and analysis about potential wood supply in Europe is still weak, although it is urgently needed by policy makers to set a reliable frame for renewable energy and forest sector policy.

4. There are a variety of different sources for supply of wood and woody biomass whose technical and economic characteristics, as well as the factors determining sustainability, vary widely. Very schematically, the sources can be listed as follows:

- (a) Wood, from the forest
 - (i) From stems and other inventoried material
 - (ii) From branches, stumps, tops etc. (not included in inventories of growing stock and increment)
- (b) Woody biomass from trees outside the forest (other wooded land, hedgerows, urban trees etc.)
- (c) Wood from the primary and secondary forest industries (industrial co-products and residues)
- (d) Post consumer recovered wood products

5. Some sources of wood supply are relatively well recorded and monitored, others weakly, episodically, or not at all. Trade in raw material and products must also be taken into account. Despite the differences between the types of wood supply, they are interlinked (for instance, industry residues mostly derive from removals of stemwood, which has been processed in mills), and there is a clear danger of double counting. It is therefore necessary to work within some type of “wood balance” which can validate data and ensure accurate comparisons of the supply and demand sides. A workshop on national wood balances is being held back-to-back with the working party session.

6. In recent years, there have been several major developments at the regional level.

- (a) Growing stock and increment in forests have expanded over many decades in nearly every country (see the ECE/FAO/MCPFE report on *State of Europe’s Forests 2007*). Increment is a rough measure of the maximum long term level of sustainable wood supply from inventoried material, ignoring social biodiversity and economic factors.
- (b) Enquiries, notably the ECE/FAO/EU/IEA Joint Wood Energy Enquiry have demonstrated that there are significant, previously unmeasured wood flows from trees outside the forest and recovered wood, mostly for energy use.

- (c) The policy targets for bio-energy adopted by many governments and the EU imply considerable increases in demand for wood. The volumes of required biomass and wood to meet these targets have been estimated in the study on wood availability and demand, also being submitted to the Working Party.
- (d) High energy prices have led to rapid growth in international trade in bio-energy, including wood chips and pellets, sometimes over very long distances, such as from Canada or Russia to European ports.

7. The main factors influencing potential wood supply (wood mobilization) from the forests include:

- (a) Silvicultural factors, notably increment, rotation length and age class structure;
- (b) Economic factors, notably the price of wood and the cost of harvesting and transport;
- (c) Ownership structure, and the management objectives of different ownership classes;
- (d) Access, including remoteness, slope, transport infrastructure;
- (e) Constraints arising from necessity to preserve biodiversity and site fertility (limitations on harvesting of residues, management intensity, species choice etc.);
- (f) Availability of land to expand forest area onto other (mostly agricultural) land;
- (g) Public attitudes to all the above and the tradeoffs between the different high level policy objectives, including secure energy supply, biodiversity and landscape conservation, rural development, industrial policy etc.

8. The main ways to expand wood supply are to cut more of the stemwood increment, to harvest more trees outside the forest, to use more residues arising in the forests or the industries, to recover more wood products or to expand the forest area. The potential of each of these approaches will depend on local factors, which must be carefully assessed. Sustainability and impacts of increased wood supply on ecosystem and other functions of the forests (e.g. carbon storage, biodiversity, water supply, recreation, etc.) have to be assessed and addressed. A number of major forest countries have carried out these estimations or are in the process of doing so.

9. The Seminar will examine the theory and practice of estimating and evaluating potential wood supply. A number of national case studies will be presented as well as a first partial estimate for Europe, prepared by the secretariat and based on international data sets (Warsaw report, JWEE, EFSOS) will be presented in a background paper, which will be made available in March.

10. The objectives of the in-session seminar are to:

- (a) provide information about the status of research on potential wood supply in Europe
- (b) identify the gaps and weaknesses of existing data
- (c) introduce and discuss different methods of obtaining data on potential wood supply
- (d) review and comment on the background paper
- (e) decide on future work by UNECE/FAO

11. Delegates are invited to brief the Working Party on national (or sub-national) work to estimate potential wood supply.
