



**The Sustainable Forest Products Industry,
Carbon and Climate Change
Key messages for policy-makers**


 World Business Council for Sustainable Development

FOREST DAY COP 13 @ Bali 8 December, 2007



Responsible Managers of Carbon

- Carbon benefits from forest products
- Sustainably managed forests are a renewable natural resource
- Sustainably managed forests provide wood fiber and carbon benefits
- The forest industry is highly resource efficient
- The forest industry is energy intensive, but meets much of its needs with carbon-neutral biomass

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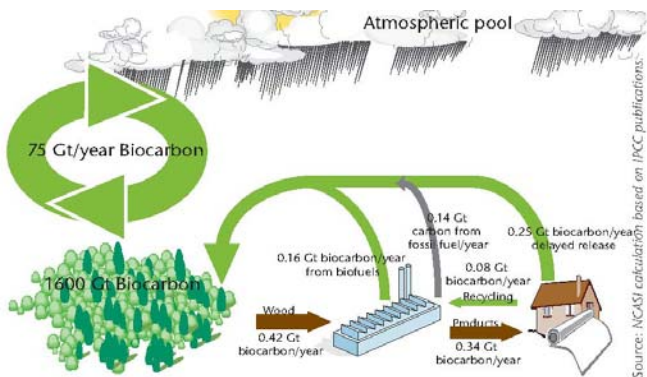
Managing GHG emissions



Calculation tools developed by the ICFPA, working with the WBCSD and WRI



SFPI: Responsible Managers of Carbon Forests are a renewable natural resource



Source: NCASI calculation based on IPCC publications.

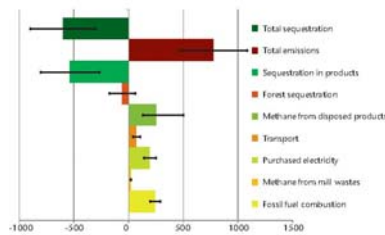
The carbon removed from the forest by the forest products industry represents only about 0.5% of the carbon that is recycled between the forest and the atmosphere annually, and less than 0.03% of the carbon stored in the world's forests.





Carbon benefits from forest products

Forest products are made from renewable raw materials. They require lower fossil fuel energy inputs during their life cycle than most alternative non-wood products, are highly recyclable, and store carbon.

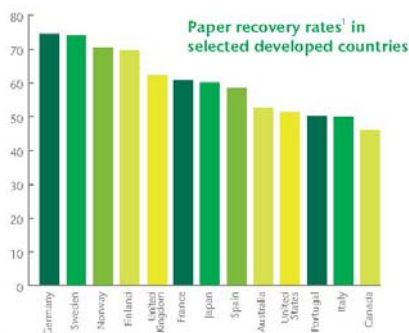


Emissions from the forest products value chain are largely offset by sequestration in forests and forest products



The forest industry is resource efficient

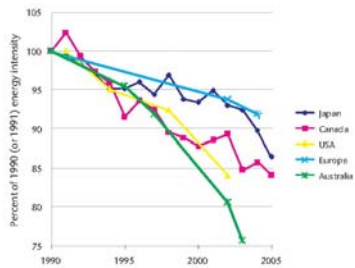
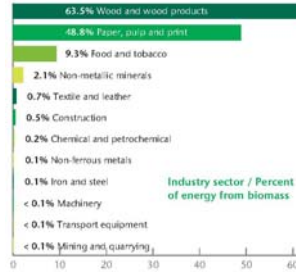
In many industrialized countries over one-half of the paper is recovered for recycling, allowing forest fiber to serve repeated uses.





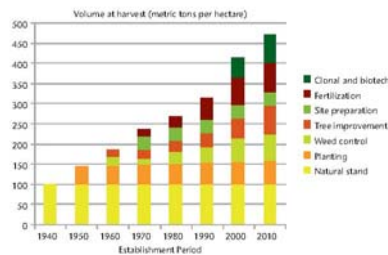
Extensive use of carbon neutral biomass

- The forest products industry derives a greater fraction of its energy requirements from biomass than any other industry.
- Producing regions have reduced energy intensity by 8-15% since 1990.



Breakthrough technologies

The forest-based industry is finding ways to increase forest productivity while protecting forests' environmental values. There are significant opportunities to leverage breakthrough technologies.



A variety of intensive management practices have resulted in dramatic increases in the productivity of pine plantations in the US



Our Carbon Challenges

The connections between our industry and the global carbon cycle are complex. Hastily enacted climate change policies can have unintended consequences on our industry.

- Harvesting prohibitions
- Expansion of wood-derived biomass energy
 - Reduce availability of wood fiber.....increase the costs of forest products.....which creates the market for non-wood substitutes...which are more carbon & energy intensive....which undermines carbon emissions reduction



Our Carbon Challenges

The industry is capital intensive

Technological innovation and accelerated capital stock depreciation are the best ways the forest products industry can reduce emissions. However, the industry is capital intensive, with very long-lived capital equipment.



Long value chain & high recycling rates

The industry has a unique carbon profile and long timescale for carbon and climate impacts:

- ✓ Forests
- ✓ Wood product manufacturing
- ✓ Pulp and paper manufacturing
- ✓ Forest products



Public Policy Alert !

- Public policy needs to consider not only the climate-change implications of biomass use, but also the economic and employment benefits to society.
- Using wood in the forest products value chain creates more than
 - ✓ 10 times the value added, and
 - ✓ 100 times the employmentof using the same biomass only for energy.



Our Policy Recommendations (6)

1. Support public policies that promote faster turnover of capital stock depreciation so improvements in energy- and carbon-intensity can be accelerated.
2. Promote the efficient use of biomass through the value chain including recycling, extraction of energy and wise use of limited land resources.



Our Policy Recommendations (6)

3. Biomass energy is an important component of policies to control atmospheric CO₂. These policies must be balanced and secure:
 - ✓ An increase in the recovery of used wood and fiber
 - ✓ Adequate supplies of fresh fiber and other biomass for industry and society
 - ✓ The carbon life cycle benefits associated with forest products



Our Policy Recommendations (6)

4. Public policies and carbon crediting schemes should recognize all activities that accomplish real and verifiable reductions in atmospheric GHG – forest-based reductions especially.
5. Public policies should be carefully evaluated for unintended consequences, particularly those adverse to the goals of achieving reductions in atmospheric concentrations of carbon and supporting a sustainable forest products industry.



Our Policy Recommendations (6)

6. Expanded efforts to bring more of the world's forests under sustainable management could reduce carbon emissions caused by deforestation, fire, disease and insects, and conversion to agriculture.



Thank you!

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