



**MAIN PROJECT  
FINAL PROJECT REPORT**

**Project Name: Northern WoodHeat**

**Project Registration Number: 04/02/58**

**Measure: 2.1. Sustainable use of nature and natural resources**

**Project Website: [www.northernwoodheat.net](http://www.northernwoodheat.net)**

For completion and submission to the Northern Periphery Programme Secretariat by:

*31/3/08*



## Executive Summary

The Northern WoodHeat project was established to encourage the development sustainable woodfuel supply chains at the small and medium scale in peripheral areas of northern Europe. It was led by Highland Birchwoods, and had 16 partners in total in the three partner countries, Scotland, Iceland and Finland. The partners included state forest management organisations, community woodlands, local authorities, education institutions and private enterprises and as such the project represented a wide range of interests in the growing woodfuel sector. The three partner countries have common issues which underpin the suitability of woodfuel as an energy source – all have locally significant forest resources in peripheral areas where population centres are small and scattered, all currently have difficulty maintaining thinning programmes and all are committed to developing renewable energy technologies that combat greenhouse gas emissions. However, they are at varying stages of woodfuel development – in Finland woodfuel use is widespread and advanced, in Scotland the woodfuel industry is in its early stages, but growing fast and in Iceland woodfuel is almost entirely undeveloped- and it is these differences that paved the way for Northern WoodHeat's programme of transnational working and knowledge transfer. The project carried out a wide range of project activities focussing on all stages of the supply chain. These included studies on woodfuel resources, trial and demonstration of harvesting, production and delivery technologies, development and delivery of training courses, study tours between the partner countries, production of a mobile woodfuel demonstration unit, international conferences, seminars and open days run by project partners and production of a website and it produced a library of information on woodfuel supply and surrounding issues which will continue to be used after the life of the project. The project facilitated valuable knowledge transfer and collaboration between the three countries and substantially improved the availability of information on woodfuel use and supply in the project area.

## Project Information and Objectives

Northern WoodHeat was established to investigate and encourage the development of small and medium scale woodfuel supply chains in peripheral areas of northern Europe, disseminating the findings through practical demonstrations, technical reports and leaflets, a project website and open days, seminars and conferences. The rationale behind the project arose from the potential for woodfuel use to address a number of issues crucial to the northern periphery area. There are considerable direct benefits to using wood as a fuel – it is widely available, versatile, can be used at a range of scales, it is a proven technology and, crucially, if the wood is from a sustainable source, it is effectively a carbon neutral energy source. However, there are also several indirect benefits that provided a starting point for Northern WoodHeat. Local woodfuel markets have the potential to provide an incentive for thinning under managed forests remote from existing markets, which will improve the quality of the remaining stand. This can in turn, provide opportunities for local employment and diversification, and the resumption of thinning can also improve habitat and landscape values which will benefit biodiversity. The project was a complex partnership of organisations based in Scotland, Finland and Iceland and was led by Highland Birchwoods – an organisation based in the north of Scotland with extensive experience of EU project management, and considerable expertise in forestry, woodfuel and timber market development. The partners were drawn from a number of different backgrounds and covered a comprehensive range of interests in the woodfuel sector. They included research and higher education institutes, private enterprises, state forestry organisations, community woodlands and local authorities. The three partner countries were at differing stages of development of their woodfuel industries – Finland was very advanced, Scotland in the early stages, and in Iceland woodfuel was almost entirely undeveloped. This provided an excellent opportunity for transnational working and knowledge transfer. The Finnish project partners applied their expertise to Scottish and Icelandic situations, and a project symposium was held in one of the partner countries each year.

## Project Implementation

Northern WoodHeat carried out a wide range of activities aimed at encouraging sustainable woodfuel supply in the project area. These could be roughly summarised into the following categories: practical trials and demonstrations investigating the best methods of woodfuel production and supply depending on stakeholder needs; awareness raising of the benefits woodfuel supply chains and providing networking opportunities for key actors in the growing industry; studies investigating the most appropriate ways of maximising the potential of the woodfuel resource; providing training in woodfuel systems. Woodfuel production trials were carried out at 4 sites in different parts of the Scottish Highlands to account for geographic and regional differences. These trials looked at harvesting, processing and delivery options. Open days were held at the trial sites, and the results were published for wider distribution. Several seminars were also held - some of these were at an introductory level, and others were aimed at audiences already involved in woodfuel and provided a forum for discussion and forming future collaborations. 4 international conferences were also held. The Finnish partners in the project applied their extensive knowledge to planning and implementation of woodfuel systems in both Scotland and Iceland to produce feasibility studies for particular sites where careful supply chain design was crucial. Training also took place in both Scotland and Iceland of a range of individuals working in the industry. As the woodfuel sector is growing fast, needs change very quickly which made it necessary to be ready to adapt project work to changing sector requirements and conditions. However because of the range of expertise and specialisms of the project partners we were able to do this successfully, and managed to achieve outputs additional to those in the project plan which complemented existing work, and kept within the original aims and objectives. A particular strength of the project was the provision of training by Finnish experts to Scottish and Icelandic delegates – several delegates on Northern WoodHeat training courses went on to start up in woodfuel supply. Additionally, trial and demonstration work as part of the project, actively improved supply in parts of the project area. The networking aspect of the project was also particularly effective as through cross-linkages with other projects collaborations were established which will ensure a legacy for Northern WoodHeat. Work done on biomass estimation also proved to be particularly timely as during the lifespan of the project biomass use in Scotland increased dramatically, enhancing the need for this type of work.

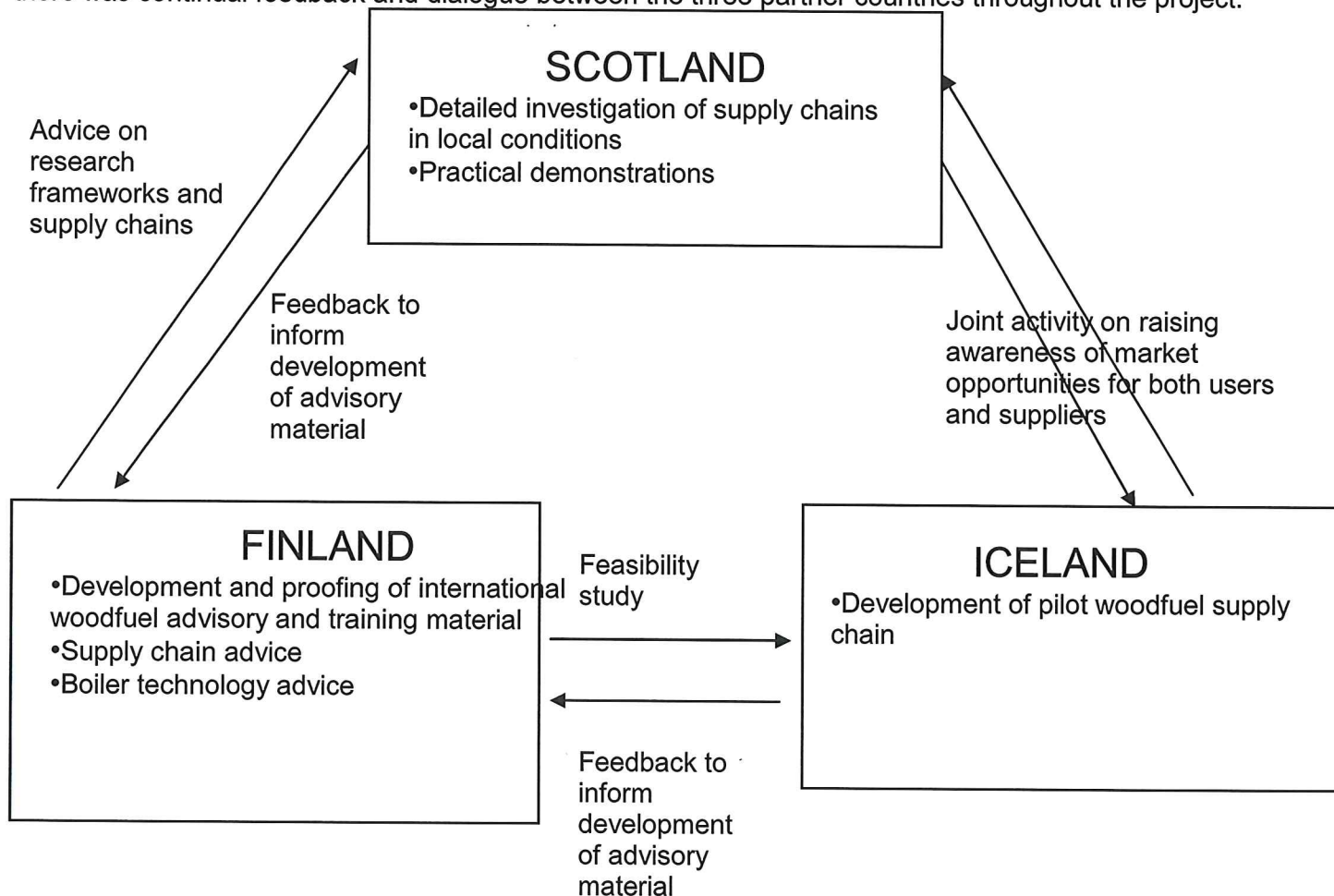
## Project Results

Northern WoodHeat has produced a comprehensive collection of information which will continue to inform the growing woodfuel industry in Scotland, Iceland and Finland. It has effectively initiated the woodfuel industry in Iceland as there were no woodchip heating systems in the country before the project started, but now a supply chain exists. This was done by applying the expertise of Finnish partners to each stage of the supply chain, and making sure that knowledge was adapted to suit Icelandic conditions. Similar but wider reaching results have been achieved in Scotland – woodfuel production techniques have been explored, demonstrated and documented in different areas of the Highlands, and in collaboration with different stakeholders. Training and awareness-raising has enhanced the profile of woodfuel use and increased understanding of the benefits woodfuel markets can bring to rural economies and the environment. Links between key actors in the woodfuel industry in all three countries have been strengthened through the project's networking activities. These results have stayed closely allied to the project's original objective of encouraging the development of sustainable woodfuel supply chains at the small and medium scale as well as managing to keep pace with development within the woodfuel sector during the project's lifetime. Additional outputs achieved included further work on harvesting and extraction techniques, demonstration of small scale harvesting equipment, production of a mobile woodfuel demonstration unit and important work on improving biomass estimation techniques. Trial and demonstration of woodfuel drying using different methods has helped to demonstrate best practice in a crucial factor in the woodfuel supply chain. Some of the project's intended results were not achieved, but this was mainly because activities were adapted to suit changing sector needs as the project progressed, and none of the changes were to the detriment of the project's overall usefulness. All project results have been well-documented and have been published and distributed widely in the three partner countries in order to ensure maximum impact of its findings. Training packages produced during the project have been embedded in the teaching of higher education institutions in all three partner countries which will help ensure continued impact of the project. Northern WoodHeat project publications will also continue to be widely distributed and referenced as part of ongoing woodfuel

development work in all three partner countries, and will also be vital in supporting the work of several NPP, and other EU funded, projects in the area.

Transnationality

The transnational dynamic of Northern WoodHeat is best described by the diagram below, which shows that there was continual feedback and dialogue between the three partner countries throughout the project.



The expertise of the Finnish partners was crucial to the implementation of project work in Scotland and Iceland, but simultaneously, the differences in scale between Finland and the other two countries informed the possibility of expanding woodfuel development at the smaller scale in Finland. Knowledge transfer and networking between the three countries provided business and collaboration opportunities that will persist beyond the lifetime of the project. Transnationality was ensured by frequent contact between the lead partners in each country and several international meetings and study tours in each year of the project. The only difficulties arising due to the transnational nature of the project were administrative, and related mainly to aspects of the financial reporting. The transnational cooperation established during Northern WoodHeat is continuing – at least two projects involving the same partners are already funded and under way and plans are in progress for more.

### Dissemination and Transfer of Experience

Dissemination was a crucial part of Northern WoodHeat, and a major part of its work involved holding events aimed at publicising the benefits that woodfuel markets can bring to communities, businesses and the environment. The Northern WoodHeat website was launched at the start of the project and has become a very useful resource for woodfuel information. It will continue to be hosted by Highland Birchwoods, is linked to by several other high profile A range of publicity and dissemination material was produced and examples of these are included in the dissemination section of the final report. A series of "Info Cards" were produced by the Finnish project partners giving information about different aspects of the woodfuel supply chain, and showing case studies of different types of woodfuel installations. These were particularly successful outputs and attracted considerable interest and contacts.

Partners attended open days at each others' sites to ensure knowledge transfer as activities progressed, and three symposiums were held (one each year in each of the countries) which provided a chance to give a synthesis of the project to date and also to link activities to work going on external to the project. Two joint international conferences were held with other EU projects which also gave the chance for partners to learn from each other. Results of the project have been, and will continue to be, disseminated via distribution of publications, and presentations by the partners at a range of events such as seminars, open days and conferences and shows throughout the project area. A mobile wood energy demonstration unit was also produced which will continue to disseminate project results and publicise woodfuel use in coming years.

### Conclusions

In conclusion, Northern WoodHeat has made a worthwhile contribution to encouraging and facilitating woodfuel supply at the small and medium scale in the three partner countries. It has established a substantial body of information which will continue to be used as the industry develops, and has strengthened communication and collaborative networks between key actors in the area. The industry is still growing fast, and there is still a substantial role to play for the outputs of Northern WoodHeat and the ongoing interest and active participation of project partners in the sector will ensure its continued value and impact.



## NORTHERN PERIPHERY PROGRAMME

### ***Northern WoodHeat***

**Measure:** 2.1. Sustainable use of nature and natural resources

**Eligible Budget:** 1880554 euro

**NPP Award:** 1045153 euro

**Project Period:** October 2004-November 2007

**Countries Involved:** Scotland, Finland and Iceland

#### Contact information:

**Lead Partner Organisation**  
*Highland Birchwoods, Scotland*

**Project leader**  
*Fiona Strachan*  
[fiona.strachan@highlandbirchwoods.co.uk](mailto:fiona.strachan@highlandbirchwoods.co.uk)

### **Project Description**

Northern WoodHeat had sixteen partners in three partner countries, and focussed on encouraging the use of wood as a renewable energy source in peripheral areas of northern Europe. The three partner countries were at varying stages of woodfuel development – Finland was very advanced, Scotland in the early stages and Iceland just starting. This provided an ideal opportunity for transnational working and knowledge transfer. The project partners were from a variety of backgrounds and covered a range of stakeholder interests in the woodfuel industry.

### **Objectives**

Northern WoodHeat aimed to encourage the development of sustainable woodfuel supply chains at the small and medium scale in the the three partner countries, by carrying out practical trials and demonstrations, holding information events and producing information material in order to demonstrate best practice to the growing woodfuel industry in the Northern Periphery region.

### **Project Activities**

- Woodfuel production and delivery trials were carried out in Scotland which informed the developing woodfuel industry. Demonstration events were held at trial sites, and results were written up and distributed in publications.
- Open days and seminars were held to promote the benefits of woodfuel use to the public, businesses and the forestry sector
- Training programmes were developed and delivered
- Feasibility studies carried out by Finnish experts on Scottish and Icelandic cases
- A mobile wood energy demonstration unit was produced and used at events to publicise the benefits of woodfuel use.
- International conferences and symposia were held
- Study tours were organised to facilitate knowledge transfer between the partner countries

## Results Achieved

- A substantial resource of trial results and publications were produced which will continue to be a useful reference as the woodfuel industry continues to grow
- Training programmes were developed which will continue to be delivered
- Delegates on training programmes went on to work in woodfuel supply, to become end-users and to work in energy consultancy
- Feasibility studies were used to produce business plans for suppliers and end-users
- Conferences and seminars provided national and international networking forums which led to further collaboration and future projects
- Examples of best practice were demonstrated via study tours and demonstration days

## Partners

	<i>Name of partner organisation</i>	<i>Partner country</i>
1	Highland Birchwoods (Lead Partner)	Scotland
2	Forest Enterprise Scotland	Scotland
3	Highland Council	Scotland
4	Abriachan Forest Trust	Scotland
5	Dunnet Forestry Trust	Scotland
6	Highland Wood Energy	Scotland
7	Woodtherm Fuels	Scotland
8	DWP (Tomintoul)	Scotland
9	Forestry Commission (Scotland)	Scotland
10	Inverness College	Scotland
11	Finnish Forest Research Institute (Joensuu Research Centre)	Finland
12	North Carelia Polytechnic	Finland
13	Joensuu Regional Development Company (Josek Oy)	Finland
14	Landbunadharaskollin a Hvanneyri	Iceland
15	Heradsskogar	Iceland
16	Skograekt rikisins	Iceland

**Project website: [www.northernwoodheat.net](http://www.northernwoodheat.net)**



INTERREG IIIB NORTHERN PERIPHERY PROGRAMME • INTERREG IIIB NORTHERN PERIPHERY PROGRAMME

**MAIN PROJECT  
FINAL ADMINISTRATIVE REPORT**

*for project Northern WoodHeat*

For completion and submission to the Northern Periphery Programme Secretariat  
by:

*31/3/08*

[northernperiphery@npp2.net](mailto:northernperiphery@npp2.net)



## PART 1

<b>1. PROJECT INFORMATION</b>	
<b>Name of the project: Northern WoodHeat: Developing Woodfuel Supply Chains at the Small and Medium Scale</b>	
Abbreviation: Northern WoodHeat	
<b>Reporting period: from 1 October 2004 to 30 November 2007</b>	
<b>Date project finished: 30 November 2008</b>	
<b>Are the partners able to recover VAT for the projects' expenses?</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If <b>no</b> , please list relevant partner: All partners are VAT-registered except for HB and UHI. HS and LBHI are partially exempt.	
<b>Were any of the partners under the obligations of public tendering regulations?</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If <b>yes</b> , please list relevant partner: Not all partners are subject to public tendering regulations, but all tenders issued as part of the project will be subject to EU tendering regulations where applicable.	

<b>2. MEASURE</b>	
1.1. Transportation, logistics and transport infrastructure	( )
1.2. Access to Information Society	( )
2.1. Sustainable use of nature and natural resources	(X)
2.2. Business innovation & development of human resources	( )
3.1. Household related service provision	( )
3.2. Public management and spatial planning	( )

<b>3. TARGET AREA/LOCATION OF OPERATION</b>	
a) Specify if any new areas were included in the project or if some areas were excluded. Were there changes to the project target area? Explain briefly the reasons for any changes. If no changes were made, simply state "no changes".	
No changes	
<b>b) TARGET GROUPS</b>	
Please specify the groups targeted in the project and describe if the project was successful in reaching them. If not, why not?	
The project's target groups were potential woodfuel suppliers and consumers, policy makers, resource managers, architects, builders and housing managers. Through its varied programme of events, activities and outputs, the project was successful in reaching all these groups.	

<b>4. CONTACT INFORMATION FOR THE LEAD PARTNER &amp; PROJECT CO-ORDINATOR</b>	
Person responsible: Cliff Beck	Project Co-ordinator: Fiona Strachan
Title: CEO	Title: Project Manager
Telephone: 01463 811 606	Telephone: 01463 811 653
Fax: 01463 811 607	Fax: 01463 811 607
E-mail: cliff@highlandbirchwoods.co.uk	E-mail:

<b>Website:</b> www.highlandbirchwoods.co.uk <b>Address:</b> Littleburn, Munloch, <b>Postal Code:</b> IV8 8NN <b>City:</b> Ross-shire <b>Country:</b> UK	<b>Fiona.strachan@highlandbirchwoods.co.uk</b> <b>Website:</b> www.northernwoodheat.net <b>Address:</b> Littleburn, Munloch <b>Postal Code:</b> IV8 8NN <b>City:</b> Ross-shire <b>Country:</b> UK
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## 5. PARTNERS

Please list all partners and their role in the project. Did the role of any partner change? Any developments in the composition or role of the management unit should be indicated. Please place an asterisk (\*) against the name of any partners recruited during the project period.

Name and organisation	Main tasks
Highland Birchwoods (Lead Partner)	Overall project management, organisation and coordination of dissemination material and events, supervision and contracting of consultants for additional outputs
Forest Enterprise Scotland	Supply chain development and trials, and demonstrations
Highland Council	Original tasks: Logistic and boiler efficiency trials, economics and feasibility study. Output changed to funding of a study on the potential of short rotation forestry
Abriachan Forest Trust	Supply chain development and trials, demonstrations
Dunnet Forestry Trust	Woodfuel production trials, demonstrations
Highland Wood Energy	Woodfuel production, logistics and boiler efficiency trials, economics and feasibility study, demonstrations and promotion activities. Output changed to production and use of a mobile wood energy demonstration unit.
Woodtherm Fuels	Logistics trials, economics and feasibility study
DWP (Tomintoul)	Woodfuel production trials, economics and feasibility study, dissemination activities
Forestry Commission (Scotland)	Economics and feasibility study, production of technical material
Inverness College	Production of training material
Finnish Forest Research Institute (Joensuu Research Centre)	Harvesting trials, economics and feasibility study, production of training material, dissemination activities
North Carelia Polytechnic	Production of training material
Joensuu Regional Development Company (Josek Oy)	Dissemination activities

Landbunadharaskollin a Hvanneyri	Economics and feasibility study, production of training material
Heradsskogar	Economics and feasibility study, dissemination activities
Skograekt rikisins	Woodfuel production, logistics and usage trials, economics and feasibility study, training material and dissemination activities

#### 6. SCHEDULE

Did the project start as planned? List all changes and any problems encountered in maintaining the project's schedule.

The start of the project was delayed due to delayed confirmation of funding from NPP, and the onset of some of the practical trials was also delayed due to bad weather. There were also some problems due to scheduling difficulties with various partners. However, all the site trials were completed satisfactorily within the life of the project. There were also some delays in individual partners' spends, in particular, Highland Wood Energy. This was due to the changing of their project outputs. The reasons for this were discussed with the JPS at the time, and the delay has not been to the detriment of the project.

#### 7. OBJECTIVE OF THE PROJECT

Was the aim of the project redefined? If yes, please list new objectives and briefly explain the reasons for the change. If no, simply state "no changes".

No changes

## CONTENTS OF THE PROJECT

### 8. LINKAGES

Was the project linked to any other programmes, projects and/or schemes in the Northern Periphery Programme area? Were any new linkages developed?

In Scotland, Northern WoodHeat developed strong links with the North Sea Programme funded project North Sea Bioenergy. The two projects held two joint conferences and produced a joint promotional leaflet. Northern WoodHeat also worked closely with the Highlands and Islands Community Energy Company and the ERDF funded Ignite woodfuel training programme.

In Finland, the project worked closely with the WENET programme, including collaborating on conferences, and developed links with the Baltic Biomass Network. It also collaborated with the 5 Eures project, and the drying work carried out during NWH is highly complementary to the work of the forthcoming DryMe project. NWH also co-organised the annual workshop of IEA Bioenergy Task 31.

In Iceland, project partners became involved in the SNS (joint Nordic forestry research) program "Bio-energy from young stands" which started in 2005. Our involvement is a direct consequence of being a partner in NWH. In 2006 all partners of the SNS project attended the NWH symposium in Hallormsstadur and were active members in the program. This has contributed to a broader network of specialists in the field of wood-fuel and joint papers have been published for benefits of all parties.

The NPP project "Pelletime" which has recently been approved by the steering committee of NPP involves mostly the same partners as in NWH (the Swedish are newcomers) is also about bio-energy from forests. This proves that the partners involved agree that the cooperation has been fruitful and will probably be even better in the future as we know each other by now.

In East Iceland a group of stakeholders are setting up a small heating company that will provide the community at Hallormsstadur with heating and warm water. The business model is based on feasibility-studies carried out in NWH project.

## 9. INFORMATION DIFFUSION

Indicate the information diffusion actions developed, such as brochures, speeches to regional organisations, communication plans (media launch, media reports, press releases etc.).

What methods were used and what were the advantages and disadvantages of the dissemination processes used?

Please indicate what plans are in place to ensure the project's continuation and dissemination after the Interreg III B Northern Periphery Programme funding has finished.

### Scotland

The project logo was designed, and colour scheme decided upon at the beginning of the project – both were subsequently used in all project publications and dissemination material. The project website was launched in Feb 2005, to coincide with the project launch in Scotland. It has since become a useful and well-used resource of woodfuel information, and has been regularly updated with details of project activities and events, and is linked to several other prominent woodfuel and renewables websites. All presentations from project events are available to download through the website, as are the results of trials and studies that took place as part of the project.

A pop up display and several posters detailing project activities were produced and displayed widely at events throughout the lifetime of the project. An initial leaflet promoting the project was produced and 2 infocards, following the Finnish infocard format were produced showing examples of Scottish woodfuel installations. Two issues of Scottish Woodfuel News (2 issues) were produced in collaboration with the Forestry Commission and Reforesting Scotland. Press releases were sent to local and national newspapers, radio stations and TV stations in advance of all events. The project hosted several open days at different sites – each was hosted by a different project partner. One partner (DWP) held a series of 3 annual seminars on the same theme. We held two international conferences in Scotland – both were in collaboration with other EU projects, both were opened by high profile politicians and gained media attention. Throughout the project, we attended public events and shows to publicise Northern WoodHeat and its work. For the final conference, we produced a project brochure and DVD highlighting the breadth of work that had taken place during the project.

Presentations: The project manager was regularly asked to talk at regional events and conferences, which proved to be a very effective way of publicising the project. A list of presentations made is as follows: NWH project launch, Woodfuel in Scotland (NWH symposium, Joensuu, June 2005), Northern WoodHeat (Scottish Woodfair Woodfuel seminar), NPP partner seminar, Inverness (Aug 2005) NWH/woodfuel supply chains (Scottish Renewables seminar, Inverness Sep 2005), Northern WoodHeat/Woodfuel supply NTS Glencoe seminar (November 2005), Ignite/NWH joint promotional evenings – Wick, Inverness (January 2006), Woodfuel in Scotland, NWH symposium, Hallormstadir (August 2006) Northern WoodHeat/ Woodfuel supply in Scotland, Biomass for Energy, Bruges (September 2006), SNH Sharing Good Practice Event: Biomass and the Natural Heritage, Battleby (November 2006)

The website will continue to be hosted and updated as part of Highland Birchwoods' ongoing development work. All project outputs (publications, reports, studies etc.) will be downloadable from the site, and a stock of hard-copies will be held at Highland Birchwoods' office and will be available on request. These will also be distributed to interested parties at events via all partners. The training courses developed as part of NWH will continue to be taught, and the dissemination will be used to support these.

In Iceland the project was launched with a press conference and official signing in November 2004. Throughout the course of the project, 13 lectures were given by the Icelandic lead partner and other partners on project work, and the second NWH symposium was held in Hallormstadir in August 2006, and was widely reported in the media.

Our Finnish partners produced 16 infocards on various aspects of woodfuel supply. These were designed to be informative, but concise and eye-catching. These proved to be one of the most successful ways to disseminate information during the project. The infocards have been distributed on paper during conferences, seminars, training courses and excursions, and they have also been used as an electronic version on the NWH webpage and email. Their distribution has been very successful and they prompted several inquiries from people around Europe during the project period. Also, a group from Canada found one infocard on the web and as a result they came for a 3 day study tour.

The Finnish project partners also hosted several study tours as part of NWH and gained media attention through these.

It became very clear to us during the course of the project that employing PR professionals to arrange publicity for the project is extremely useful, and this is certainly something we would build into budgets for future projects.

## 10. PROJECT OUTPUTS

Please list quantifiable outputs, including information on the activities and outcomes obtained during the project (studies, reports, audits and other forms of analysis, steering group meetings, seminars, working groups etc).

### Number of participants in project activities

Please fill in number of participants by gender and age:

**TOTAL**

Male, over 25 years	<b>582</b>
Female, over 25 years	<b>130</b>
Young male, < 25 years	<b>178</b>
Young female, < 25 years	<b>75</b>

### Outputs

Promotional leaflets/newsletters/brochures	7
DVDs	5
Practical trial reports	9
Study reports/Information notes	7
Infocards	18
Feasibility studies	4
Presentations	51
posters	5

Study tours	10
Open days	3
Conferences/symposia	4
Seminars	6
Training courses	7
National steering group meetings	22
International steering group meetings	4
Thesises	8
Focus group meetings	3
Mobile demonstration unit	1

<b>HORIZONTAL OUTPUTS / INDICATORS</b>			
Please indicate which of the following classifications applies to the project:			
<b>Transnationality</b>			
<input checked="" type="checkbox"/>	The project has partners from 3 different countries		
<input type="checkbox"/>	The project has partners from 4 different countries		
<input type="checkbox"/>	The project has partners from 5 or more countries		
<b>Spatial development</b>			
Please indicate number of studies/documents of common planning completed, Project plans			4
Please indicate number of spatial development networks			
<b>Complex partnerships</b>			
Please indicate the sectors involved in partnership		Please indicate number of organisations per sector	
<input checked="" type="checkbox"/>	Research	Number of research organisations	2
<input checked="" type="checkbox"/>	Business enterprise	Number of enterprises	3
<input checked="" type="checkbox"/>	Local or regional government	Number of local/regional gov. org.	4
<input type="checkbox"/>	Other, please specify: _educational institutions, community woodlands_	Number of other organisations	7

**Please list in an annex all complex partnership partners i.e. Business enterprises.**

<b>11. CONTRIBUTION TO SPATIAL DEVELOPMENT</b>
How was the project able to contribute to EU policies and objectives in the context of spatial planning, according to the European Spatial Development Perspective?
<p>The project has built strong national and international links which now form a foundation for continuing information dissemination between educational institutions, research organisations and rural development organisations. This contributes to the Spatial Development Perspective policy option Promotion and Support of Co-operation and Information Exchange between rural areas.</p>

## 12. EQUAL OPPORTUNITIES

a) Please describe how the project considered gender equality as well as minority issues, age aspects and other possible aspects of equality/inequality throughout its implementation.

The project has adopted an overall equal opportunities policy. It is recognised that forestry industries are a male dominated sector, and continuing care is taken to ensure that new posts are advertised as open to all. The project coordinator recruited by Highland Birchwoods to manage the project is female, and in total, of the 16 partners, 3 of the partner representatives are female. All promotional material is examined to ensure there is no bias towards particular groups, or reinforcement of gender stereotypes.

Please indicate which of the following classifications applies to the project

	The project directly and mainly contributed to equal opportunities
X	The project indirectly contributed to equal opportunities
	The project was neutral to equal opportunities

## 13. SUSTAINABLE DEVELOPMENT

Describe the environmental impacts of the project, detailing all the positive and negative impacts to the natural, built and/or social environment of the Programme Area. Explain also which steps were taken to minimise the negative impacts.

Over its lifetime the project has contributed significantly to informing and improving sustainable forest management techniques. All production trials etc. were carried out taking care to minimise environmental impacts/ground damage etc. and several project outputs were directly related to minimising the environmental impact of, and maximising the environmental benefits of, woodfuel.

It has also had positive impacts on the social environment through increasing the skills and knowledge base relating to woodfuel at a local scale, helping to create opportunities for local employment and increasing the capacity of local people to participate in the wider national and international biofuel markets.

The emphasis on local utilisation also helped to reduce the burden on rural transport infrastructure and reduce atmospheric pollution.

### Environment

Please indicate which of the following classifications applies to the project:

X	The project is directly and mainly contributing to improving the environment
	The project is indirectly contributing to improving the environment
	The project is neutral to the environment/



## ADMINISTRATION

### 14. STEERING COMMITTEE

Please list all members of the steering committee. Was the composition of the Steering Committee changed during the project? If yes, please complete the necessary information in the following table. Please indicate with an asterisk (\*) the name of any person who has joined the steering committee within the period of the report.

#### Composition of the Steering Committee

Name and organisation	Position in organisation	Address, fax and E-mail
Cliff Beck, Highland Birchwoods	<b>Chief Executive</b>	Littleburn, Munloch IV8 8NN +44 1463 811 607 cliff@highlandbirchwoods.co.uk
Lauri Sikanen, Finnish Forest Research Institute	<b>Senior Researcher</b>	Finnish Forest Research Institute, Yliopistokatu 7, P.O.Box 68, Joensuu, FIN-80101. F: +358 01 211 3113 Email: lauri.sikanen@metla.fi
Gudmundur Olafsson	<b>Managing Director</b>	Heradsskogar, Midvangur 2-4, Egilsstadir 700, Iceland. F: +354 471 2184 Email: heradsskogar@skogur.is

Briefly explain the reasons for the changes.

### 15. STEERING COMMITTEE DYNAMICS & IMPLEMENTATION METHODS

Please describe and evaluate the steering methods as well as implementation methods of the project.

The ISG retained overall responsibility for approval of budgets, work programmes and all PR. The project manager is not a member of the ISG, but attends the meetings in a reporting capacity. The national steering groups met to update all partners on general progress and to make decisions at a national level.

The beneficiary provided the chair and administration.

This arrangement has proved satisfactory.

**16. PARTNERSHIP DYNAMICS**

Please evaluate the partnership during the project; division of work and functionality of responsibilities, difficulties encountered and how they were resolved as well as positive aspects of the partnership.

The partnership has functioned well with positive input from all members. In part this is due to it being a “complex” partnership of academic, agency and private sector interests in all three countries.

The national steering group in each country has met at least once per year and has ensured that operational plans and budgets have been completed for each partner, and has also ensured that necessary steps have been taken for project implementation, and that project tasks are continuing as planned, and where necessary problems can be solved, and changes made.

A difficulty throughout the project, was that number of partners underspent significantly, and left it late to inform the project manager that this would be the case. However, we have been able to reallocate funds, and source cofinancing where necessary to enable additional activities to be carried out. This is largely due to the enthusiasm and initiative of partners elsewhere in the project who were able to build upon existing activities and add value with additional outputs.

**16. CONSULTANTS/SUBCONTRACTORS USED IN THE PROJECT**

Please, fill in the name of the consultant/subcontractor and his/her task in the following table. If no consultants have been used, simply state "no consultants have been used".

Expert/Consultant Contact information (email)	Task	Cost
PLEASE SEE ANNEX 1.		

#### **17. CO-ORDINATION WITH PROGRAMME ADMINISTRATION**

**Please provide comments regarding communication with and support received from the Programme Secretariat and/or Regional Contact Points.**

Communication throughout the project with the Regional Contact Points has been straightforward and helpful. Communication with the JPS has generally been satisfactory, although we have never received feedback on progress reports, and guidance has at times been vague. Additionally, in the last 6 months of the project, replies to queries which were essential to our being able to compile the final report were extremely slow, and thus delayed our progress significantly. Some of these queries remain unanswered even as we come to submit this report. Communication with the Paying Authority has been problematic throughout the project (although significantly improved in recent months) – this has been discussed at length with the JPS and the PA elsewhere.

#### **18. FEEDBACK AND SUGGESTIONS**

**Do you have any other comments you wish to forward to the Programme Secretariat or Managing and Paying Authority. Please write your comments here.**

Significant issues have arisen due to the lack of a consistent and clear set of rules and regulations for NPP. Similar issues have also been caused by the apparent lack of communication between the JPS and the PA, and the lack of clear boundaries of who is in charge of what aspect of running the programme.

We suggest that immediate attention to this at the start of the new NPP will significantly improve the experience of being involved in it for all.

## PART 2:

### FINANCING

**You must complete and append the Monitoring table of budget commitments (MTBCs) incurred during the project. Please enclose Entries, Timesheets, Financial reporting summary and Summary of exchange rates for the final reporting period.**

<b>19. DIVISION OF EXPENDITURE BY AREAS INSIDE THE PROGRAMME AREA</b>		
<b>Please state how much of the total eligible budget has been spent in the different areas.</b>		
Objective 1 area:	1,711,234	Euros
Objective 2 area:		Euros
<b>ERDF sub total:</b>	<b>1,711,234</b>	<b>Euros</b>
Norway:		Euros
Iceland:	157,453	Euros
Greenland:		Euros
Faroe Islands:		Euros
<b>Non member state sub total:</b>	<b>157,453</b>	<b>Euros</b>
<b>Project total:</b>	<b>1,868,687</b>	<b>Euros</b>

<b>20. CO-FINANCING</b>
<b>Were there any changes to the national co-financing during the project? If so, explain briefly why and indicate the new composition (in EUR and percentage by organisation). If no changes were made, simply state "no changes".</b>
<p>There were several changes made to the cofinancing during the project – these were all discussed in full with the JPS as they arose and documented either in 6 monthly progress reports or separate updates to the JPS as appropriate.</p>

<b>21. MODIFICATION TO INITIAL BUDGET</b>
<b>Was the budget modified during the project? If so, please briefly explain the reasons and justification for budget modifications and changes to the allocation of eligible expenditure. If no changes were made, simply state "no changes".</b>
<p>There were several budget modifications during the project which were discussed with the JPS as they arose. The most notable changes in the Scottish budget were Highland Wood Energy's reduced expenditure and change of output. We were however able to find additional match funding to facilitate a range of additional outputs for the project so that the overall expenditure and effectiveness of the project was in no way compromised.</p> <p>In Iceland, most of the spending was in line with original budget with one significant exception. As pointed out in the progress report in 2006, the Icelandic partners decided against installing a small boiler at Hallormsstadur forestry service. Initial feasibility studies showed that building a bigger boiler for the elementary school and swimming pool would be a better option for many reasons, so instead of using NPP fund on machinery (boiler) have resources were allocated to further background work, both concerning forestry (fuel availability and cost) and energy (market situation and subsidies). The overall Icelandic budget was under spent by approximately 20.000.-€</p>

There were no significant changes to Finnish expenditure. A small amount of the unspent Scottish budget was transferred to Finland to expand on existing project outputs.

## 22. SUPPORTING DOCUMENTS

Please mark the relevant enclosures. Number the list and the enclosed documents.

- Certification of expenditure
- Entries
- Time sheets
- Monitoring Tables of Budget Commitments  
(MTBC – Total combine, MTBC – EU and MTBC - NMS)
- Financial reporting summary
- Summary of exchange rates
- Auditor's statement
- Examples of information material (to follow)
- Copy of ledgers from separate accounts