



JOINT OECD/ECMT TRANSPORT RESEARCH CENTRE

Round Table, 7-8 June 2007, Paris

Biofuels: Linking Support to Performance

Draft Outline

Support for Biofuels has become one of the leading policy responses to both oil import dependency and climate change in a wide range of Member countries. But biofuels are not all equally effective in substituting for oil or cutting CO₂ emissions, and promoting their production can be very expensive and have serious impacts on agricultural markets, food prices and on the environment (biodiversity, pesticide contamination and water stress).

The Round Table on biofuels is designed to provide support for the International Transport Forum ministerial meeting on Sustainable Energy for Transport to be held in Leipzig in May 2008. Its purpose is to furnish an apolitical research perspective in a sometimes politically controversial field. The Round Table will review current research findings on key economic issues related to “well to wheels” CO₂ mitigation potential of currently available biofuels, the cost of production and the scale of subsidies to production and consumption of biofuels. It will examine some of the unintended impacts of promoting biofuels, on markets and on the environment. Potential trade in biofuels will be covered on the basis of an examination of the economic and environmental performance of current and potential future Brazilian biofuels performance.

The most pressing policy need is perhaps to provide an opportunity to exchange experience in the development of certification systems for biofuels. Such systems are currently under development for the governments of the UK and the Netherlands, in cooperation with other EU partners and the California State Government (UC Berkeley). Certification is needed in order to link support (subsidies, tax incentives, eligibility for quotas) to the actual CO₂ mitigation achieved by different types of biofuel and by the different processing systems. Certification is also important to avoid supporting production likely to damage biodiversity through habitat destruction or intensive pesticide use. At the international level this is a particular concern in relation to the destruction of tropical forests.

The Round Table will be structured along the lines set out below. Rapporteurs will prepare background papers and make presentations on selected issues to launch debate among the participants.

Environmental costs and benefits and oil substitution potential

(Rapporteur: Professor Dan Kammen, University of California at Berkeley)

- Well-to-wheels CO₂ mitigation / oil substitution
 - The analytical framework for evaluating the CO₂ mitigation potential for biofuels substituting for hydrocarbon fuels.
 - Which biofuels perform best
 - Ethanol or biodiesel
 - Which crops
 - Which processes
 - Which countries/climate zones
- Environmental impacts
 - Biodiversity
 - Pesticide spraying intensity
 - Habitat loss – tropical forests, set-aside and marginal land
 - Water consumption

Economics of biofuels

(Rapporteur – Ron Steenblik, Global Subsidies Initiative, IISD)

- Costs of biofuels in relation to oil products
- Subsidies – size and extent in North America, Europe, other OECD regions and Brazil
- Impacts on grain, sugar, oil-seed and edible oil markets
- International markets
 - Tariff barriers
 - Non tariff barriers (technical regulations)

Environmental certification

(Rapporteur: Ausilio Bauen, Imperial College, University of London and E4Tech, tbc)

- Certification framework
- Data requirements
- Auditing of commercial production
- Use of certification – access to markets and indexing of support
- International standards for international markets?

Brazilian ethanol – the benchmark?

(Rapporteur – Edmar de Almeida, University of Rio de Janeiro)

- Well to wheels CO₂ mitigation – factors responsible for high performance
- Environmental impacts
- Economic and environmental impacts of large-scale exports of ethanol.
- Prospects for biodiesel.