



elobiö

Biofuel policies for dynamic markets

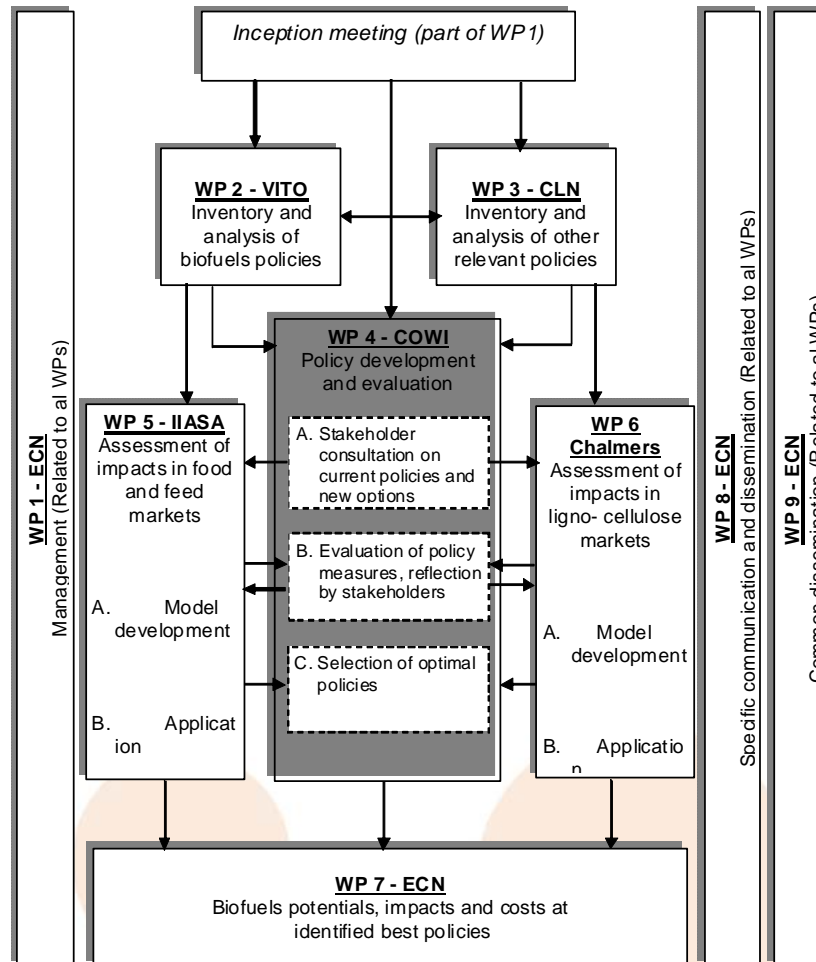
Elobio Final Seminar

**Results and lessons from the
stakeholder involvement**

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Overall structure and approach



Stakeholder consultation process

Integrated part of the Elobio project: to identify low disturbing biofuels policies

- Purpose of the project: identify low disturbing policies on other markets as food and feed and lingo-cellulosic markets.
- Stakeholder input needed to identify critical issues and the policies to mitigate negative impacts which are analysed in Elobio

The biofuels production chain:

- as suppliers of feedstock,
- producers of biofuels,
- distributors of biofuels

Affected markets, for instance:

- food and feed industry
- the energy industry
- wood industry

Stakeholder consultation process



Stakeholders involved:

- food industry utilising vegetable oils,
- agriculture,
- oil industry,
- biofuels producers,
- NGO's,
- Science,
- Key EC directorates

Consultation process: Workshops and email

- 1. Stakeholder consultation: Workshop 30 October 2008:**
on suggestions and questions to be analysed, and viewpoints
- 2. Stakeholder consultation: E-mail, June-September 2009:**
Response to the preliminary findings of the model runs
- 3. Stakeholder consultation: Workshop 17 November 2009:**
Presentation and discussion of the policies, scenarios and assumptions

Issues raised through the stakeholder proces



1. Socioeconomic issues:

- Impact of first generation biofuels on agricultural prices
- Impact on food security

Higher prices have several and partially contradictory effects:

- Increase living costs to poor
- Promote agricultural production and productivity in the longer term
- Price volatility is a threat to a stable development of productivity and to food security

2. Environment issues

- Productivity increases in agriculture
- Utilisation of marginal land
- Sustainability criteria
- Deforestation

The increased production and productivity in agriculture must be balanced with the environmental issues, including GHG emissions and LUC.

Issues raised through the stakeholder process



3. Technologies related to biofuels

- Productivity in the agricultural sector:
 - Link between prices and productivity,
 - Need for higher growth rate than current 1% pa.,
 - Environmental sustainability issue vs. growth

- How fast can 2. generation technology be introduced
 - 5-10 years time lag for ligno-cellulosic feed stock production,
 - Infrastructure is not in place (feedstock, processing plants, market infrastructure)

- Ideas for policies for promotion of 2. generation
 - Avoid picking winners, focus on the energy and environmental objectives
 - Different options for promotion schemes (blending mandates, GHG emission requirements)
 - Taxation and funding mechanisms

- Ideas on possible synergies between transport and stationary sector on biofuels
 - 2. genr. may help replace coal with biomass in stationary sector
 - Competition on feedstock between the sectors

4. Methodological issues on key assumptions, scenario definition etc.

Key stakeholder impacts on the Elobio project



The overall level:

The outset: focus on market impacts, particularly the food markets

- Global food prices peaked
- Large and heated debate on global food prices and biofuels

Stakeholders put forward strongly the sustainability issue:

- Preferably biofuels should have a positive impact on the environment and on the GHG emission.
- Increasing focus on the GHG effects of LUC

This has become a major issue in the project and also in the definition of scenarios

Key stakeholder impacts on the Elobio project



Selected specific messages from stakeholders I:

- Indication of what is important to industries, e.g. an opportunity or a threat? (e.g. to agriculture growing meat or cereals, to the food industry, to the energy sector)
- Increased agricultural productivity beyond the traditional 1% p.a. is needed and possible
- Volatile prices are detrimental to investments and increased agricultural productivity,
 - *Increasing, stable and predictable prices* are of key importance to agriculture,
 - Biofuels policies should preferably be designed to *support price stability* rather than escalate prices volatility (e.g. mandate vs. general measures as taxes)

Key stakeholder impacts on the Elobio project



Selected specific messages from stakeholders II:

- GHG effects of LUC must be taken into account, policies on land use regulation should be analysed, e.g.
 - limits to deforestation
 - global carbon tax schemes
- There are a number of barriers for farmers producing 2. Gen. biofuels feedstock to switch to lingo-cellulosic crops:
 - perennial crops, financial infrastructure
 - long lead time, lack of flexibility,
 - traditions
- Sustainability certificates risk to be so complicated that they create administrative barriers to small scale producers
- Poverty issues for farmers in LDC's, particularly related to
 - land ownership issues and to
 - the structure of the industry (patents, seed ownership)

limiting their benefits of increased productivity

Conclusion on stakeholder consultations in the Elobio project



Implementation of stakeholder input:

- Into scenarios and modelling analysis of policies where possible, e.g. GHG emissions and LUC
- Into qualitative analyses, e.g. on barriers for producers of 2. gen feedstock

Significant contribution from stakeholders:

- Very dedicated of stakeholders participated
- Comprehensive input, particularly during 2. stakeholder consultation
- We had hoped for more stakeholders from the stationary energy sector and the wood industry

Thank you very much!