



**elobiö**

Biofuel policies for dynamic markets

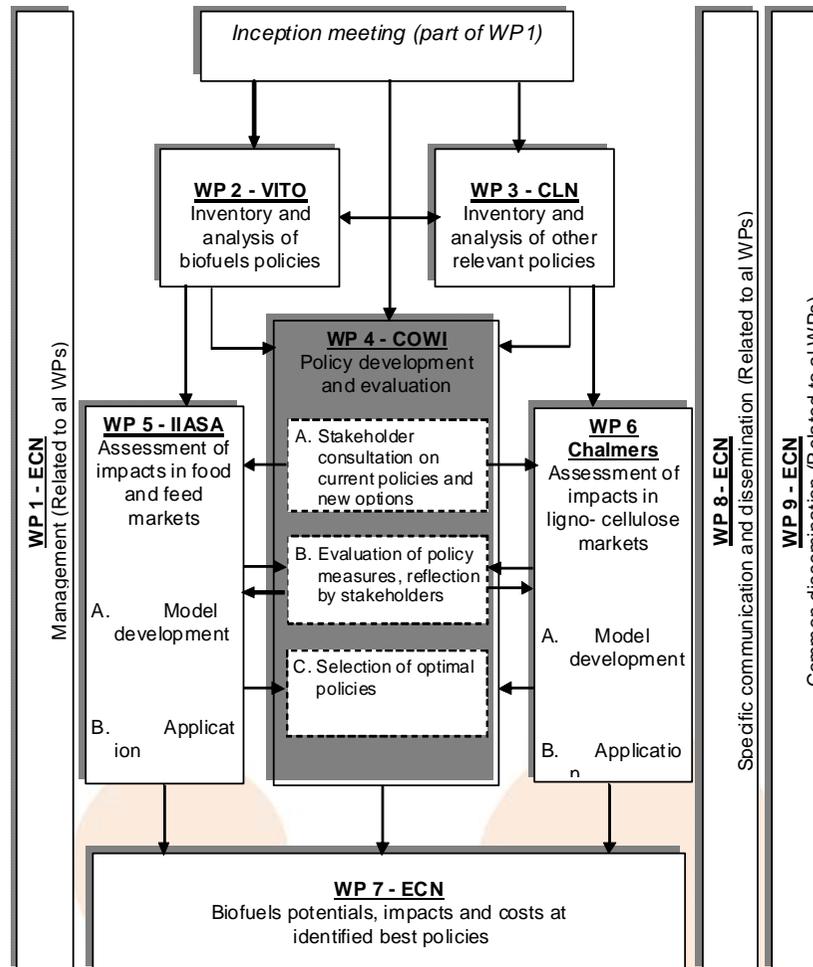
## **Elobio Final Seminar**

**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!**