



# Large Scale International Bio-energy Trade

*- Perspectives, Possibilities and Criteria;  
introduction to a workshop -*

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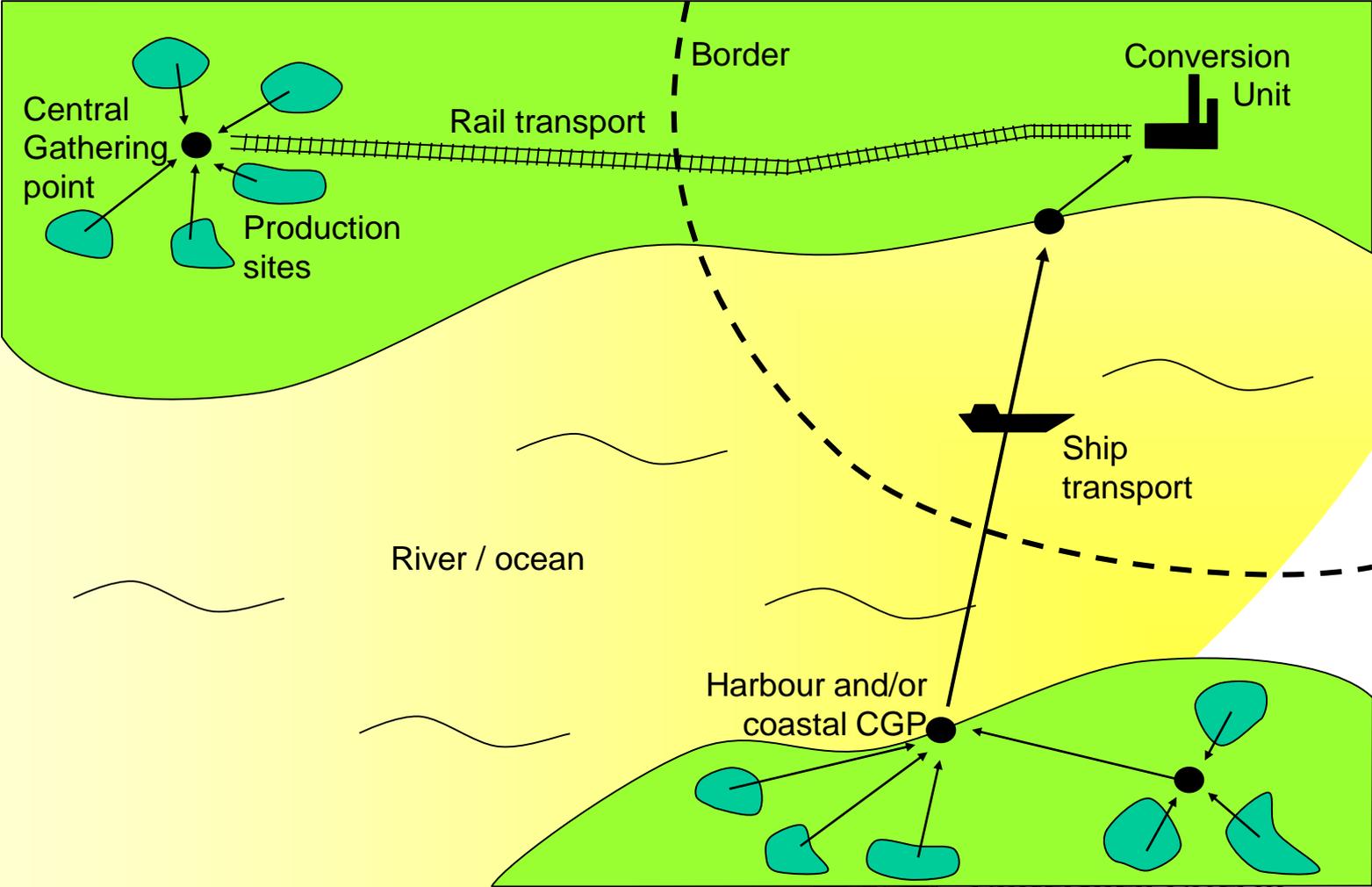


# Rationale for international bio-energy trade.

- Potential regional surpluses of biomass versus regional demand.
- Economic arguments
- GHG mitigation impacts
- Pricing policy & market development
- Sustainable development schemes (?)
- ...



# Logistics



# Key questions & criteria

- What is an optimal use of resources (land, biomass)
- Which chains are optimal from environmental (GHG in particular) point of view?
- Does bio-energy import and trade meet a broad set of sustainability criteria (ecological, social, economic)?
- How can short term actions contribute to long term viability of the bio-energy (trade) option?



# Key questions

- GHG mitigation effects (export versus indigenous utilization; different utilisation options).
- Ecologically sound: soil quality, nutrient balances, biodiversity, water resources...
- Fair distribution of (economic) benefits among (local) actors involved.
- Is a long term, sustainable supply of biomass resources guaranteed?
- Implementation schemes and strategies?
- Legal issues and certification?
- (...)



# Key Remarks (1)

- Biotrade is **one** of the options for trading the benefits of GHG neutral energy (JI, CDM, CER's...)
- Allocation rules for GHG benefits to be 'fixed'.
- International trade as an instrument for building stable markets; especially also for exporters.
- Integrity control of the total chain is required.
- We need an incentive; who is providing this?
- Be aware of potential (serious) market distortions (e.g pulp and paper industry) with growing demand for bio-energy;
- Good communication with key sectors is essential to develop schemes.



## Key Remarks (2)

- Key drivers at present: Costs; a market is a market!
- Does trade stimulate (technological) progress (or not?)
- Avoid creating ‘perverse’ incentives.
- Major effects on local bio-energy markets could be seen; shifts of production areas.
- Fuel/energy security an argument for biotrade? (!).
- Level playing field (e.g. environmental regulations) is needed.
- Major opportunities for developing countries (employment, equity), but only when ‘controlled’ and ‘sustainable’ (...)



## Key Remarks (3)

- Existing infrastructure offers opportunities; improvements in logistics can be considerable.
- Needed:
  - *Integrated system analysis* (impacts on markets, overall efficiency improvements, effect of market interventions)
  - *Resolve equity issues* (value added, CDM vs. ‘export’, foreign debt, opportunities and open markets.
  - *Policy frameworks*, transparency, certification.

