

Global Bioenergy Partnership

Dialogue between the Private Sector, GBEP and WEC Italy World Biofuels Markets - 7 March 2007

Key Messages for consideration by the Steering Committee

- Partnerships should deliver concrete results and outputs to attract private sector participation
- Governments should be the key target group for GBEP activities and information provision
- GBEP should contribute to identifying “best practice” among various government promoted incentive structures for bioenergy development
- Business representatives consider “sustainability” a key driver in bioenergy development. Policies to ensure sustainability should be transparent, consistent over time and create a level playing field among market participants.
- The greenhouse gas balance of bioenergy systems is the key indicator of sustainability. GBEP should contribute to harmonising methodologies for assessing GHG balances.

Summary

The Global Bioenergy Partnership provides a forum for sharing expertise, results and resources to promote bioenergy for sustainable development and to achieve a greater impact at national, regional and global level. The active engagement of the private sector is at the core of GBEP's mandate.

The dialogue between the private sector, GBEP and WEC Italy was organised to brief leading industry representatives about the current and planned activities of the Partnership, and to learn from industry representatives how GBEP can best engage the private sector in its activities. Further, the dialogue was an invitation to the private sector to highlight issues that are of particular importance to private sector investment in bioenergy and suggest how the Partnership can reflect these matters in its future activities.

The meeting was opened by the Chair - Pierpaolo Garibaldi, Assistant Chair of GBEP - followed by a general round of introduction. WEC Italy presented projected energy scenarios as well as likely trends in greenhouse gas emissions and highlighted the important role for biofuels in achieving a sustainable energy future. GBEP Secretariat presented an overview of the Partnership and introduced the guiding questions to aide discussion during the meeting.

Bioenergy Initiatives – Where should the private sector participate?

Participants noted that in addition to GBEP there were a variety of different international initiatives currently active or in the process of being formed. Private sector representatives require more detailed information in order to understand in which of these fora it would be most useful to participate. Funding commitments from government partners have helped other

successful partnerships attract and retain active participation from various stakeholders. Partnerships must deliver concrete results and outputs to ensure interest from the private sector.

Influencing Policy Decisions – a key role for GBEP

Participants stressed that governments should be the key target group for GBEP activities. The Partnership should help to feed information into government decision-making processes. GBEP's G8 origin and connection is a significant strength in this regard. GBEP is also encouraged to take a broad perspective, in particular with a view to policy needs to permit/support the development of innovative second generation technologies, including biotechnology.

Incentive Structures for Bioenergy

Bioenergy markets are characterized and heavily influenced by numerous government driven incentive structures. GBEP could add value by studying the various types of incentive programs and determining which have best contributed to sustainable bioenergy development (i.e. determining "best practice"). Participants stressed that a harmonization of incentive structures at an international level would improve the business climate in bioenergy markets.

Ensuring sustainability of bioenergy

Business recognizes the importance of ensuring sustainability of bioenergy generation and use and highlighted the necessity of working towards avoiding possible conflict among energy security, food security and greenhouse gas reduction objectives. As the strong incentive for biofuels development resulting from peak oil prices diminishes, environmental considerations should be a key driving force in sustaining bioenergy development.

In pursuing sustainability, the private sector's key concerns are to: a) ensure transparency and continuity of policies and b) create a level playing field for all players and technology options. Participants stressed the importance of analyzing the greenhouse gas (GHG) balance of bioenergy systems as a key indicator of sustainability.

Some participants expressed support for differentiated incentive systems, including differentiated tax treatment of biofuels related to GHG performance. Participants also pointed out, however, that larger GHG emission reductions from bioenergy will likely be achieved in electricity generation as opposed to transport fuel use. Therefore policy decisions regarding targets of biomass use in different sectors are necessary.

Finally, participants stressed that GBEP could play an important role in harmonizing methodologies for assessing GHG reductions and create a basis to assess different low carbon fuel standards operating internationally, building upon work already carried out in a variety of countries (e.g. the UK Low Carbon Vehicle Partnership).

With respect to broader sustainability criteria beyond the GHG performance, some companies advocate an inclusion of a wider range of criteria, but possibly a simple "yes/no" fulfillment requirement as opposed to detailed reporting and differentiated treatment.

Although competition between fuel and food use of biomass was stressed as an important issue, individual companies do not see it in their power to address this conflict directly, as the effects tend to be created at an aggregate level that is beyond the control of individual players.

Governments should therefore take primary responsibility to monitor and address possible conflicts.

Trade

Given the strong interest by very diverse countries and stakeholders to promote increased trade in biofuels, the resulting pressure to promote the reduction of trade barriers may act as a stimulus to rekindle the trade negotiations under the Doha round.

Acknowledgements and next steps

GBEP wishes to thank the participants in the meeting for sharing their views with the Partnership and for expressing their interest in future collaboration. GBEP is committed to a continuous dialogue with private sector representatives.

Attachments

List of Participants

Presentations – WEC and GBEP

Guiding Questions for Discussion