Global Bioenergy Partnership Seminar

June 18, 2012
Inter-American Development Bank

Founded in 1959, IDB is the oldest and largest of the regional multilateral development banks. Largest source of development finance for Latin America and the Caribbean.

48 Member countries
26 Borrowers
22 Non-Borrowers

IDB
Available support instruments at IDB

- More than a Bank: seeking sustainable economic development of LAC countries.
- By the end of 2011, the IDB approved $207 billion in loans and guarantees to finance projects with investments totaling over $438 billion.
- Investments in the agriculture, energy and environment sectors accounted for 24% of the total project approvals in 2011.
Why IDB supports sustainable biofuels

As a development institution the Bank has a mandate to support investment programs in LAC that:

• Contribute in a relevant way to sustainable social and economical development of its member countries
• Reduce poverty and create jobs
• Provide longer-term environmental benefits and mitigate climate change
• Promote sustainable rural development
• Improve competitiveness, foster capacity-building, technology development and innovation
• Optimize use of human and natural resources of its member countries
• Stimulate public-private partnerships, among others
Examples of biofuel TCs

• IDB Sustainable Biofuels Scorecard
  – Application of the Scorecard to IDB projects: Brazil sunflower

• Participation in international sustainability forum
  – Steering board of the Global Bioenergy Partnership
  – Steering board of the Roundtable on Sustainable Biofuels

• Support the piloting testing of biofuels standards and sustainability indicators
  – Pilot auditing the RSB Principles and Criteria in Brazil, Peru, Guatemala and Mexico
  – Pilot testing GBEP indicators in Argentina
Examples of biofuel TCs (cont.)

- Workshops and Training
  - Access to certification for smallholders (Guatemala)

- Studies
  - Comparative health and air quality impacts of biofuels (Chile)
  - Sustainability of sugarcane-derived renewable jet fuel

- Technical assistance
  - Brazil - USA biofuels MOU for studies and evaluations in support of National Biofuels Programs in El Salvador (APEX), Dominican Republic (APEX & IDB), Haiti, Guatemala, and Honduras (IDB)
General project characteristics for private sector biofuel financing

- Integrated value chain
- Competitive production costs
- No competition with food production
- Higher levels of sustainability and positive social and economic development objectives/impacts
- Sugar cane and other emerging feedstocks
- No deforestation
- Efficient use of water irrigation
- Value creation through product diversification (i.e. co-generation, sugar production)
- Opportunities to support certification
Commercial characteristics of biofuel projects

- Investors bring both market and operational expertise in industry and agro operations
- Project construction is conducted under one turn-key contractual arrangement or multiple construction contracts supported by construction management and construction-integration support completion by investors/sponsors
- There is an established biofuel blend mandate in place
- Long-term off-take biofuel contract for export market opportunities or growing local biofuel demand
- Logistic forward integration through long term contracts
- Automation of processes and mechanization of agricultural activities
- A win-win value creation for industry and agro operation in inclusive models of feedstock supply
IDB sponsored events during Rio+20

- **June 18**, Forte de Copacabana (3-4:30pm) Biofuels for Aviation
- **June 19**, Forte de Copacabana (6:30-8pm): Biodiversity in Latin America and the Caribbean - A Documentary produced by National Geographic and the Inter-American Development Bank
- **June 20**, Windsor Barra (9am - 6pm) Climate Change and Sustainability Day
- **June 20**, Rio Centro Rm. T-9 (11am – 12:30pm) Official Side Event: Water and Sanitation - Rights for Sustainable Development
- **June 22**, Rio Centro Rm. P3-E (11:00am - 12:30pm ) IDB Official Side Event: Sustainable and Inclusive Growth - An Emerging Paradigm for Latin America & the Caribbean

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