



U.S. and EU policies should expedite sustainable biofuels

Washington DC – 9 October 2007

The U.S. and the EU are presently considering significant increases in their biofuels mandates in transportation fuel. IPC's latest study, **An Examination of U.S. and EU Government Support to Biofuels: Early Lessons**, finds that, in the absence of commercially viable second-generation biofuels, ambitious mandates coupled with high tariffs that serve to largely limit tax incentives to domestic producers risk a disproportionate focus on U.S. and EU first-generation biofuels. The report also demonstrates that the lack of internationally agreed technical and sustainability standards, as well as a lack of clarity about international trade obligations, can increase this tendency. The report urges the U.S. and EU to adopt policies that serve to promote uses of biomass that are most energy-efficient and show the greatest promise of reducing greenhouse gas emissions, regardless of national origin.

"Energy and environmental concerns should be foremost in policymakers' minds," stresses IPC Chairman Piet Bukman. "Policymakers also need to be mindful of the repercussions of U.S. and EU policies on developing countries."

To encourage the efficient production of biofuels from the most appropriate feedstocks, IPC's report makes the following recommendations:

- 1. Governments must clarify their intent for supporting the biofuels industry.**
It is unrealistic to view biofuels as a panacea for energy and environmental concerns and for domestic agricultural production. Governments must establish policies that encourage energy- and cost-efficient biofuels, regardless of national origin.
- 2. International standards are necessary to ensure that biofuels play a productive role in the push for renewable energy sources.**
Global sustainability and technical standards can point the way towards efficient and optimal biofuel and feedstock production.
- 3. The United States and the EU should consider the impact of their biofuels support policies on developing countries.**
Considering the comparative advantage of many developing countries in agriculture, increased U.S. and EU openness to imports could provide economic growth opportunities for those countries with large production capacities.

An Examination of U.S. and EU Government Support to Biofuels: Early Lessons is available at: http://www.agritrade.org/Publications/EU_US_Biofuels.html. This study was made possible by generous support from the United Nations Foundation and the Italian Ministry of Environment, Land, and Sea.

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About IPC The International Food & Agricultural Trade Policy Council (IPC) promotes a more open and equitable global food system by pursuing pragmatic trade and development policies in food and agriculture to meet the world's growing needs. IPC convenes influential policymakers, agribusiness executives, farm leaders, and academics from developed and developing countries to clarify complex issues, build consensus, and advocate policies to decision-makers. More information on the organization and its membership can be found on our website: www.agritrade.org.