

NEWS RELEASE

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IPC Releases Study on Social Standards Linked to Biofuels

Increasing production of biofuels from agricultural feedstocks to meet ambitious mandates has led to calls for the inclusion of sustainability criteria for internationally traded biofuels and feedstocks. IPC is pleased to announce the release of a Discussion Paper that examines the WTO implications of social standards in biofuels sustainability criteria, which was commissioned by the German Federal Ministry for Economic Cooperation and Development. **“Trade and labor linkages remain very controversial,” cautions IPC Chairman Carlo Trojan, “and this analysis points to the considerable ambiguity about the applicability of WTO rules on such linkages, which is also the case for other ‘non-trade related concerns’.”**

Legal uncertainties highlighted in the paper include the following:

- How are non-product related process and production methods to be viewed under a WTO lens?
- What types of agreements can be considered formal multilateral agreements and what is their status vis-à-vis WTO agreements?
- What constitutes an international standardizing body or international standard for the purposes of the TBT Agreement?
- To what extent does the TBT Code of Conduct commit WTO members to oversee voluntary standards?

The paper’s conclusions also call into question the wisdom of applying social standards to biofuels only, since many social issues raised in the context of biofuels production, i.e. unfavorable labor conditions and displacement of indigenous people are not unique to the biofuels sector. One social issue that is arguably unique to biofuels is their impact on food security and their potential to contribute to higher food prices, since they are produced from agricultural feedstocks that might otherwise enter the food supply, or produced on land that might be used for the cultivation of food crops. Standards and criteria, however, are not effective instruments for addressing food security concerns linked to biofuels. Rather, such concerns warrant a re-evaluation of ambitious biofuels mandates in transportation fuel or the promotion of biofuels produced from feedstocks that do not compete with food or produced on land that does not compete with agricultural land.

IPC’s Discussion Paper **“An Examination of Social Standards in Biofuels Sustainability Criteria,”** authored by Steve Charnovitz, Jane Earley and Robert Howse is accessible at <http://www.agrifood.org/SocialStandardsforBiofuels.html>.

This paper serves as a companion piece to the IPC/REIL 2006 Discussion Paper **“WTO Disciplines and Biofuels: Opportunities and Constraints in the Creation of a Global Marketplace,”** accessible at http://www.agrifood.org/Publications/wto_biofuels.html.

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.agrifood.org.