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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

South-South Cooperation for the production, trade and use of sustainable biofuels

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South-South Cooperation – why?

- Need of a bigger, reliable market with harmonized technical standards
 - US, Brazil, European Union
- Addresses sustainability concerns of the European Union
- Supply a captive domestic demand – China, India, Brazil
- Market access – Brazil and the Caribbean Basin Initiative (CBI)
- New commodity “on demand” for energy diversification
- A way to mitigate climate change, e.g. ethanol – Sweden and biodiesel
 - Germany





South-South Cooperation – typology

1. Bilateral South-South Cooperation

- United States-Brazil Biofuels Cooperation
- China-ASEAN cooperation on biofuels production
- India-ASEAN countries cooperation on renewable energy
- Africa-India Dialogue
- Forum China-Africa for Cooperation (FOCAC)
- New Asia-Africa Strategic Partnership (NAASP)
- Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) to promote cooperation in economic development in Southeast Asia
- Senegal-Brazil
- South Africa and Brazil cooperation on a bilateral and inter-regional basis through the India-Brazil-South Africa (IBSA) Forum dialogue



South-South Cooperation – typology

2. Triangular Cooperation

- EU-Brazil-Mozambique
- Brazil-Portugal-South Africa cooperation under the Community of Portuguese Speaking Countries (CPLP) framework set up by Mozambique
- UNIDO, Brazil and African Union Triangular Cooperation
- European Union/Brazil/Africa Cooperation
- Japan and ASEAN countries, e.g. East Asia Community project that envisages establishing an EU model of integration for the region, an important example of Triangular Cooperation with major economies such as China and Canada
- Brazilian Cooperation Agency (ABC) and Japan International Cooperation Agency (JICA) to implement projects in Mozambique making use of Brazil's agricultural expertise for promoting agricultural development and food security
- Swiss Agency for Development and Cooperation (SDC) with ABC for agricultural projects in Haiti
- EU and Brazil Triangular Cooperation on health, agriculture and bioenergy projects in Africa



South-South Cooperation – typology

3. Multilateral Cooperation

- **International Biofuels Forum** – international initiative bringing together key producers and consumers of biofuels to support the international trading of biofuels as a commodity
- **Global Bioenergy Partnership** – brings together public, private and civil society stakeholders in a joint commitment to promote bioenergy for sustainable development
- **Roundtable for Sustainable Biofuels** – an international initiative concerned with ensuring the sustainability of biofuels production and processing
- **IBSA** – developmental initiative between India, Brazil and South Africa to promote South-South cooperation and exchange as well as promote clean and efficient sources of energy such as biofuels



Trends, modalities and achievements to date

- **Investment** in new ethanol sugar and bioelectricity plants expected to reach \$35 billion by 2012 in Brazil alone with foreign participation up from 7 to 12%. At least similar figures in the US with potential world demand up to 180 billion litres by 2020.
- **Technology shifts** e.g. Flex Fuels Vehicles (FFV) already represent in Brazil 25% of light vehicles fleet. Thailand also is encouraging FFV imports and development of national technology to boost domestic E85 fuel and create export platform to ASEAN countries. Increased interest in light airplanes for agriculture use.





Concrete examples

- **Sustainable biofuels in Mozambique** – conduct sugarcane agro ecological zoning, assess feasibility of 10% domestic blending target and export potential to South Africa and EU
- **Technology transfer between Angola and Brazil** led to the creation of Biocom – a \$300 million start-up company fully operational by 2012 to generate 30 million litres of ethanol, 250 tonnes sugar and 160k MW/h per annum – to focus on the production of sugar and ethanol in Cacuso region. Funding partners include Angolan Private Investment Agency (ANIP), National Development Bank, BNDES, Banco Espirito Santo (BESA)



Conclusions

- Silent consensus that supply sources have to grow; need for a robust and reliable international market
- SSC as a way to gradually overcome sustainability concerns
- Brazil not alone as *demandeur* for greater/faster liberalization of ethanol trade → South-South Cooperation will ease this pressure (currently, US tariff of US\$ 0.54/gallon)
- Transfer of technology – learning by doing (Angola Biocom)
- Avoids dispute panel at WTO – as biofuels market adds on new suppliers and users of biofuels





Thank you

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