ICC's Commission on
Environment and Energy

Business: Part of the solution

International bioenergy policy

Modern bioenergy has become an increasingly important energy source with the support of subsidies and mandates in several countries. Future demand is increasing and playing a key role in scenarios such as the BLUE Map IEA scenario and the European Union's proposed a 20% emissions reduction target.

However, it will only achieve its long-term potential if research successfully delivers advanced options that demonstrate commercial feasibility with improved environmental, economic and social performance at scale. However, it will only achieve its long-term potential if research successfully delivers advanced options that demonstrate commercial feasibility with improved environmental, economic and social performance at scale. Bioenergy has potential to advance energy access and energy diversification as well as for climate change mitigation. However, while it has much potential, it is not a panacea for climate change nor the solution to energy security in all countries.

All use and production of energy has environmental costs. The International Chamber of Commerce (ICC) urges governments to consider total environmental impact such as land-use, biodiversity, food crops, agricultural trade etc. prior to intensive bioenergy development. Not all biomasses and physical and social environments are equally suited for developing biofuels. Identifying the right places for biofuel production in the agricultural economy is a policy challenge.

These challenges should be assessed and managed by policymakers with input from industry. They should also be addressed through research and innovation. Policymakers should also bear in mind the particular challenges bioenergy faces concerning land and water use, agriculture and biodiversity.

Drawing on the experience of businesses from a wide range of sectors in international markets and jurisdictions ICC, calls for:

- Effective policy frameworks that create synergies throughout the supply chain;
- Bioenergy policies that, a) allow flexibility for national circumstances; b) are consistent with the ability for markets' and technologies to deliver on those policy objectives c) and do not result in trade or market access barriers;
- Supportive policies to advance progress in innovation and deployment of effective bioenergy options, including international standards and R&D ventures;

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- Partnerships and international cooperation to support and advance bioenergy, while avoiding unfeasible or market-distorting government mandates;

- The development of objective criteria relating to bioenergy that integrate and balance long-term energy supplies, food security, the environment, land-use, water-use, social and economic considerations.

The water-related and climate change impacts

The water-related and climate change impacts of energy in general and biofuels production in particular could significantly affect economic viability and sustainability. These considerations could bear direct impacts for the allocation of land and water to energy and other uses. A rapid increase of land and water used for plants to be transformed into biofuels could have a massive impact on freshwater withdrawals. Regardless whether crops today are being used for food or as feedstock for energy production, they require enormous amounts of water to be grown. The efficiency of this water use can and should be improved significantly.

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