

CO2 trade vs. biomass trade from the view of the local sustainable development of the exporting / host country

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Benefits of exporting biomass

- Can access large biomass markets quickly
- Hard currency obtained now
- CDM projects require
 - methodology
 - PDD validation
 - DNA approval
 - project finance (equity and loans).
 - Demonstration of “renewable biomass” (difficult where biomass is sourced from further away).

Benefits of exporting biomass

- Create economies of scale for later local use
- Where local baseline is not GHG intensive
- Where biomass energy is not eligible as CDM project (non-fossil-fuel baseline, e.g. wood fuel or charcoal)
- Why worry about biomass export, when pulpwood, timber etc not questioned?

Reasons to prefer CDM

- Help meet growing demand for electricity, cooking fuels, liquid and gaseous fuels
- Greater SD benefits with local use
 - indoor air pollution
 - difficulties in obtaining fuelwood
 - lower energy prices
 - air quality
- Few big players benefit from biomass export, whereas majority of people may benefit more from local use

Reasons to prefer CDM

- Greater value added "at home"
- Biomass demand is secured for lifetime of project
- Technology transfer
- Sustainability of biomass is checked through CDM rules (but this can also be a barrier, see biofuels example)
- Eligibility conditions of meths can exclude the most controversial cases

Solutions:

Ensure sustainability of traded biomass

- Improve land-use productivity (expand CDM)
- address deforestation, forest degradation and devegetation in developing countries
- Certification
- Belgian system a first step
 - Full fuel-cycle emissions as defaults
 - Supplier declarations, checked by verifier
 - Could add land-use changes and leakage

Solutions:

Reduce artificial incentives for biomass trade

- Aim at a more global system of incentives (green power, fuels, emissions trading etc.)
- Estimate + count “leaked” emissions from biomass as part of national GHG planning in importing countries
- Count CDM biofuels / bio-electricity as part of targets (e.g., EU biofuels and bio-electricity targets)
- Host country can arrange for equal treatment of local biomass use vs biomass export

Bottom line

- The question is not: *Does biomass export support local sustainable development.*
- The question is: *Does biomass export have greater SD benefits than the CDM?*

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